TOP 100 LEADING ADVERTISERS

28th annual study

Presented here is ADVERTISING AGE'S 28th annual collection of facts and figures about the marketing operations of the nation's advertising giants—what they spend on advertising, how their leading product lines and brands rank nationally, what share of market they hold and many other vital details. The profiles include listings of each company's marketing executives, its agency lineup and a rundown of account personnel. Much of the material has never been published before, including estimates of total advertising and promotion expenditures for the advertisers covered and sales figures for privately owned companies.

AMR Corp.

	1982	1981
Sales	$4,176,974,000	$4,108,699,000
Earnings	(19,613,000)*	47,440,000
Advertising**	61,641,400	51,496,900

*(Loss)
**AA estimate

AMR Corp., Dallas, formed October, 1982, as the holding company of American Airlines and its subsidiaries, is the nation's 87th largest advertiser with expenditures of $61.6 million in 1982, a 19.6% increase over the previous year.

The company's first annual earnings report reflected the devastating effects of fare slashing that has characterized the super-competitive, deregulated airline industry. Sales rose slightly from 1981 to 1982, from $4.11 billion to $4.18 billion, but net earnings plunged into the red. The company reported earnings of $47.4 million in 1981, but that fell to a net loss of $19.6 million in 1982.

The airline subsidiary took steps last month to reverse the decline by announcing it would cut to 9% from 10% the commission it pays to retail travel agents on airline tickets and eliminate the 3% commission it pays to "in-plant" agents that serve the corporate account on premise. The measure, said the airline, would save more than $20 million annually in commissions.

American, however, met with resistance from other airlines in cutting commissions by 10% across the board and dropped the plan, although it retained its intent to eliminate all commissions to "in-plant" agencies. The savings likely to result from this abbreviated measure is not known.

In 1982, at least 72% of the airline's revenues were derived from scheduled coach service and 9.8% came from scheduled first-class travel.

The airline carried 27.7 million revenue passengers in 1982, compared to the previous year's 24.7 million for a passenger load factor of 63.3% in 1982, compared to 51.4% in 1981. But about 78% of American's passengers used a discount fare in 1982, up from 70% in 1981 and 60% in 1980.

During the year, American moved almost all of its measured advertising into television—$23 million out of a total $24.5 million. It spent some 22% of its budget in magazines the previous year.

American began to climb out of its nosedive in the first quarter of 1983, when it ran up losses of only $28.1 million on revenues of $1.04 billion, compared to the previous year's first-quarter loss of $41.6 million on revenues of $956.9 million.

While continuing to expand in the wake of Braniff International's bankruptcy, American launched a program to increase productivity, to institute effective cost controls and to intensify its marketing effort.

American's expansion in 1982 spanned the globe. A Kansas City-Dallas/Fort Worth (DFW) route was added as was a Chicago-Denver route. And American negotiated an aircraft interchange with Alaska Airlines to link Houston and DFW with Anchorage and Fairbanks.

Following Braniff's demise in May, 1982, American won temporary authority to fly the DFW-London Gatwick route, which was subsequently awarded to American in a five-year certificate. American also began flights to Rio de Janeiro and Sao Paulo from DFW, began DFW-Wichita, Kan., service, added a second daily nonstop 747 flight between DFW and Honolulu and started daily service between San Francisco and Honolulu.

American's International Flagship Service was unveiled in October with what American described as "superior cuisine, outstanding wines and sleeperette seats" on the DFW to London and Rio routes flown with DC-10-30 aircraft. Business class service was introduced on international flights and was extended to some transcontinental flights in early 1983.

Earlier, American had canceled its plans to acquire a fleet of Boeing 757 aircraft and it had extended delivery schedules for 30 Boeing 767 aircraft on order. It placed into service its first three 767 aircraft between New York and San Francisco in December, 1982. In early 1983, American ordered 20 twin-jet McDonnell Douglas Super 80 aircraft.

In January, 1983, American moved from its temporary headquarters in Grand Prairie, Tex., into new corporate headquarters in the complex with its flight academy, learning center and southern reservations center, all at DFW Airport.

Promotionally, American joined in the 1982 fare discounting melee led by Braniff with its impromptu two-for-one sales to raise quick cash. Although Braniff departed from the competitive scene in May, discount fares remained the dominant tool throughout 1982. The damage done to airline profits during that time led American, with others, to raise fares gradually, and in April of this year American adopted a simplified mileage-based fare structure along with Delta Air Lines and Eastern Air Lines.

The U.S. Department of Justice filed a civil suit against American Airlines and its president Robert Crandall, alleging that he had tried to monopolize airline routes by fixing prices with Braniff. The basis of the suit was a Feb. 1, 1982, telephone conversation Mr. Crandall had with Howard Putnam, Braniff chairman. The suit seeks to remove Mr. Crandall from office for two years, but he has urged the court to throw out the suit because no actual price-fixing resulted from the conversation with Mr. Putnam.

At the same time the civil action was filed, the Justice Department announced termination of a federal grand jury investigation into charges that American Airlines had used "dirty tricks" to hasten the demise of Braniff International. No criminal charges were filed at the end of the investigation.

On April 17, 1983, American en-

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tered Eastern and Delta territory with its first Atlanta service in 22 years.

And on July 11, 1983, American began showing the "CBS Early Morning News," a 30-minute weekday show transmitted for American's exclusive in-flight use, aboard its DC-10, 747 and 767 aircraft. CBS is selling advertising sponsorships for the program in which commercial messages from the regular broadcasts are removed.

Tom Bayer

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$18,813,000	$20,068,100
Magazine	891,200	4,342,600
Spot tv	10,759,400	10,417,700
Network tv	12,288,800	2,986,600
Spot radio	8,429,200	6,763,600
Outdoor	186,200	418,300
Total measured	51,367,800	44,996,900
Unmeasured	10,273,600	6,500,000
Estimated total	61,641,400	51,496,900

AMERICAN AIRLINES
Marketing Personnel

Robert L. Crandall, president
Thomas G. Plakett, senior vp-mktg
William P. Shannon, vp-field sales/service
Michael W. Grunn, vp-passenger sales and adv
William E. Crosby, vp-passenger services
M.E. Olsen, vp-capacity and traffic plng
George A. Shipman, vp-freight mktg
Carney W. Wenrich, senior director-freight sales/adv
Willard J. Dreslin, director-freight sales plans/adv
Ann S. Smits, senior director-adv
Bruce S. Goodyear, mgr-adv
Judith A. Kirvan, mgr-adv
David Alpert, mgr-adv
Frank J. DiNuzzo III, senior director-sales promo
Ronald C. Scott, mgr-sales promo
Vincent L. Rohloff, sales promo

Advertising Agency

Bozell & Jacobs/Southwest, Dallas—passenger & freight—Paul H. Gold, senior vp-group acct director; Tom Hooke, vp-mgmt super; Sue Davis, Jeanette Everitt, Keith Galus, Henry Harteveldt, Tami Peavy, Chris Proctor, acct execs.

American Brands

	1982	1981
Sales	$6,504,961,000	$6,538,161,000
Earnings	381,240,000	386,127,000
Advertising*	72,272,000	82,218,900

*AA estimate

American Brands, New York, the 78th largest national advertiser, spent an estimated $72.3 million on advertising in 1982, a 12% decrease from the previous year.

The company's net sales dropped for the second consecutive year, slipping slightly to $6.5 billion. The decline can be attributed to decreased sales in international tobacco products, food products, hardware and specialty business subsidiaries.

American Brands' net income also declined in 1982, dropping 1% to $381.2 million from the record setting $386.1 million in 1981.

Sales of the tobacco products in domestic markets increased 2.6% to $1.2 billion. Sales, however, of the tobacco products worldwide dropped 1% to $2.97 billion. Despite these less than dramatic results, the tobacco division performed best among divisions at American Brands.

The domestic tobacco division of American Brands—American Tobacco Co. and American Cigar—rolled out the new Lucky Strike low-tar filters backed by about $4.3 million in measured advertising, some $2.7 million going to outdoor and $1.6 million to magazines. Another $87,300 was spent in outdoor only for filter 100s. The rollout included heavy sponsorship of sporting events, funds not included in measured spending.

Carlton continued its reign as king of the ultralow-tar filter cigarets with a 10% share of market in value. Measured media spending for the panoply of Carlton cigarets was $23.3 million. Of that total, the big bucks went into multiproduct advertising ($11.5 million), Carlton filters ($10 million), Carlton 120s filters ($342,500), and Carlton filter kings regular and menthol ($148,600).

Tareyton and Tareyton Lights rank as the leading charcoal filter brands. Tareyton Lights drew $2 million in measured ad support. The company's other low-tar cigarets are Pall Mall Lights, drawing $7.8 million in ad spending for Light 100s ($7.4 million), Light 100s menthol ($144,400) and filters ($228,700).

Nonfilter cigarets are on the wane, but American Brands' leading contender, Pall Mall Kings, unadvertised in major media, continued to rank as the fifth best-selling cigaret in the U.S., despite sales declines affected by a nationwide increase of 34% in cigaret prices due in part to the doubling of the federal excise tax.

In the smokeless tobacco category, sales were down for Half and Half, Paladin black cherry and Bourbon Blend, as well as American Cigar's brands—Sail, Flying Dutchman, Clan and Blue Boar. The company also markets Antonio y Cleopatra, Roi-Tan and La Corona cigars. The company had $501,200 in measured spending on Antonio y Cleopatra cigar advertising, $122,400 on Flying Dutchman tobacco, and $11,200 on Sail.

Internationally, American Brands' tobacco business is based almost exclusively in U.K.-based Gallaher Ltd., which had record sales (up 14%) and operating income (up 2%) compared to 1981.

While the industry suffered an 8% drop in sales in the U.K., Gallaher grabbed greater market share buttressed by Benson & Hedges special filter, the leading U.K. brand with 15% of total share of market in value. All B&H categories give Gallaher a 30% share of market.

Gallaher's new cigaret, Berkeley extra mild king, made gains in market share, said the company, which also launched two product extensions in Southeast England—Berkeley luxury length and Benson & Hedges longer length.

Gallaher has a hammerlock on the U.K. cigar market. In 1982, it increased its share to 46%, with gains made by its Hamlet and Benson & Hedges small cigar lines. American Brand's Condor continued as the country's top-selling pipe tobacco. In the high-price cigaret segment, Old Holdborn remained the second biggest seller.

American Brands' distilled beverages division had another record year, as operating income increased 7% to $32.6 million on sales of $227.3 million, an 8% improvement over the previous year.

The company's big brand, Jim Beam, continued to rank as the world's top bourbon. In 1982, it gained in both market share and dollar volume. The company spent $2.8 million to advertise Jim Beam, allocating $2.3 million in magazines and $530,000 outdoor. American Brands invested an additional $61,300 in magazine advertising for its Jim Beam Sweepstakes. Beam's other whiskies, Beam's Black Label and Beam's choice bourbon, had sales gains in 1982 but received no measured media support. The company's cordials suffered sales declines that were offset with gains Beam's 8-Star blended whisky and Dark Eyes vodka. The company invested $44,300 on Dark Eyes advertising.

Beam Import Co. substantially increased the distribution of Kamora Imported Coffee Liqueur Co. (a 1981 acquisition), and spent $190,100 promoting Kamora in major media.

The company added the Margarita tequila cocktail, marketing rights for Cheverny brandy and Beam Import became the exclusive importer of Aalborg Akvavit.

Internationally, the Beam business was brisk, as sales in New Zealand and Australia increased substantially. Sales also were aided by distribution rights to the U.S. Armed Forces stationed throughout the globe.

Early in 1982, American Brands sold its Duffy-Mott fruit juice subsidiary to Cadbury Schweppes for nearly $100 million.

Despite a 16% sales drop in the remaining food operations at American Brands, Sunshine Biscuits had a record year. Last August, Sunshine Biscuits shifted its advertising account from Marsteller Inc. to a Della Femina, Travisano & Partners subsidiary. Sherwood & Schneider. The company invested $651,300 in the major media to promote the Sunshine cookies and crackers. Hydrox cookies received $327,900. New products in the division included Chocolate Cremers, Peanut Butter Cremers and cinnamon graham cookies.

The company's snack division retained its leadership position on the West Coast. In 1981, the company added no-salt-added potato chips to its increasingly popular Chipples chips, introduced in 1981.

Increased competition in the hand lotion market prompted a drop in operating income of 26% at its Jergens Co. unit. Jergens' industrial skin cleanser business also was adversely affected by the drop in industrial employment. Jergens reported successes with Jergens Aloe & Lanolin lotion (out nationally in late 1981) and Fiesta deodorant soap. It spent $261,400 in major media to promote the Aloe & Lanolin lotion and $305,300 on Fiesta soap.

New product introductions have panned out well for Jergens. According to the company, 42% of the 1982 Jergens' sales can be attributed to new products introduced over the past five years. In 1982, Jergens spent a measured $170,700 in media testing Squeak!, a shampoo/conditioner. For its classic Jergens' lotions, advertising expenditures totaled $3.1 million for Jergens lotion; $410,400 for Jergens liquid soap, and $235,500 for Jergens lotion soap. With an increased emphasis on its bar soap line, the company invested $1.1 million on its Gentle Touch soap campaign.

For its Gee Your Hair Smells Terrific shampoo and conditioner, a product that has had less than glistening sales, the company spent $103,000 in advertising.

The Titleist division of Acushnet Co. invested nearly $3 million in advertising Acushnet golf balls and $777,800 for golf clubs.

American Brands, declaring its intent to expand through acquisition, last year bought the Pinkerton Co. security and investigative service for $160 million. Pinkerton had a modest ad budget in 1982 of $94,100 in measured media.

Christy Marshall

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$8,903,400	$13,243,100
Magazines	32,279,500	34,947,000
Spot tv	1,539,800	899,300
Network tv	6,980,600	8,031,700
Spot radio	59,700	318,200
Network radio	—	193,600
Outdoor	12,314,400	10,086,000
Total measured	62,077,400	67,718,900
Unmeasured	10,194,600	14,500,000
Estimated total	72,272,000	82,218,900

AMERICAN TOBACCO CO.
Marketing Personnel

T.C. Hays, exec vp
W.J. Moore, mktg director
N.H. Chester, media director
W.C. Stevenson, mktg controller
M.J. O'Neill, mktg services director
E.T. Bonnett, senior research analyst
H.W. Bahrenburg, product mgr, Carlton
E.J. Gesell, product mgr, Lucky Strike
J.A. McGinn, product mgr, Pall Mall, Tareyton
J.J. Mellett, media mgr
W. Degenhardt, media specialist
C.H. Mullen, vp-sales
T.F. McGuire, mgr-sales operations
S. Roses, sales promos and merchandising director

Advertising Agencies

SSC&B, New York—Pall Mall, Tareyton, Tall, all smoking tobacco—Douglass Bomeisler, senior vp-mgmt super; Dan Bellucci, acct exec.

Laurance, Charles & Free, New York—Carlton, Lucky Strike, Silva Thins— Albert Magnane, vp-mgmt super; Malcolm Minor, vp-mgmt super; Thomas Keane, acct super; R. LaFrance, acct super.

SUNSHINE BISCUITS
New York
Marketing Personnel

Jay R. Neidenberg, vp-brand mgmt
Edward W. Smith, group product mgr
Joel Sherman, group mktg mgr
Robert Lorys, cracker product mgr
Hedy Britton, cookies product mgr
Alfred E. Byra, mktg services director
Alan Hiller, new products mgr

Advertising Agency

Sherwood & Schneider, New York—Marvin Schneider, chairman-ceo; Lew Sherwood, president; Brendan Hawk, exec vp; Craig Bernard, acct super.

ACME VISIBLE RECORDS
Crozet, Va.
Marketing Personnel

W.D. Oliver, director-of sales and mktg
Irving M. Sloan, adv mgr

Other staff

This special issue was edited and produced by Advertising Age's Magazine staff.

Company marketing profiles were written by ADVERTISING AGE reporters listed on the masthead at left, Magazine staff members and various free lance writers.

Members of the Magazine staff are:

- **Marion Elmquist,** editor.
- **Sarah Stiansen,** profile issues editor.
- **Mark Watanabe,** managing editor.
- **Geoffrey Shives,** art director.
- **Karen Brodsky,** copy chief.
- **Pat Gray Thomas,** production editor.
- **Cecelia Reed,** associate editor.
- **Kristin Blom,** associate editor.
- **Reven Uihlein,** associate editor.
- **Marie Spadoni,** summer intern.
- **John Craig,** chart design.

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Detroit—*Reporters:* RALPH GRAY *(bureau chief),* JAY McCORMICK.
Dallas—*Reporters:* TOM BAYER *(bureau chief),* MARIANNE MALONEY.
London—EUGENE BACOT, European editor, 20–22 Bedford Row, London WC1R 4EB (01-831-9681/5). **Paris**—CAROLYN PFAFF, special correspondent, 60 rue de Varenne, 75007 Paris (548 41 58). **Sao Paulo**—LAUREL WENTZ, special correspondent (Latin America), Rua Major Quedinho 90, Sao Paulo, Brazil 01046.
JARLATH J. GRAHAM, *director of external relations.* MERLE KINGMAN, *director of special projects.* JOE FARACI, *corporate art director.* BOB ZENI, *graphics editor.* GAYLE BERMEL-WAGLEY, *senior editorial production manager.* RICHARD K. SKEWS, *assistant editorial production manager.* MARY JABSEN *(reprints),* CURTISTINE WALLACE, *editorial production assistants.* CAROL DAVID, *head librarian.* DEBRA KLEIN-KRELL, *New York librarian.*

Vol. 54, No. 38—ADVERTISING AGE (ISSN 0001-8899) is published weekly except semi-weekly the fourth week in March, the second week in September at 740 Rush Street, Chicago, IL 60611. Second-class postage paid at Chicago and additional mailing offices. Send address changes to ADVERTISING AGE, Circulation Department, 740 Rush Street, Chicago, IL 60611.

DAVID PERSSON *(New York)*
advertising director

LAWRENCE OLIVER *(N.Y.)*
eastern sales manager

DONALD T. LOCK *(Chgo.)*
midwestern sales manager

BENSON J. MALKIN *(L.A.)*
western sales manager

New York—JOSEPH G. DOHERTY, *manager,* KENNETH F. LUKER JR., *sales development manager,* THOMAS A. JAMES, GREGORY C. MASEFIELD, KENNETH B. KARP, BERNICE FLANAGAN, ANDREA B. SCIOLLA, RANDEL MCDOWELL, ADRIENNE MONETA, THOMAS J. WILSON, EDWARD R. ERHARDT.
Chicago—RONALD BEAN, SUE CUNNINGHAM, JOHN ROGIER, MICHAEL P. MCKIERNAN.
Los Angeles—BENSON J. MALKIN, 6404 Wilshire Blvd., Phone 651-3710.
ROBERT BERSIN, *promotion and public relations director,* CRAIG MITCHELL, *marketing director,* LISA MADDOX, *marketing services manager,* SHEILA GEARY, *research director.* BETTY JORGENSEN, *contract services manager,* VICKIE DANIEL, *New York advertising production coordinator.* J. THOMAS JANKA, *production manager.*

New York cable address: CRAINCOM NYK: Telex 64-0207
BRYAN TODD, European advertising director, 20–22 Bedford Row, London WC1R 4EB (01-831-9681/5). Telex 28544 CRAINS G.
U.K./Holland—David Todd, David Todd Assoc. Ltd., 117 Camberwell Rd., London, England (SE5 OHB703 6207). Telex 893202 DTAL G. Japan—International Media Representatives, 2-29, Toranomon I-Chome, Minato-ku, Tokyo (502-0656). Germany/Austria, German-speaking Switzerland—Karl Heinz Reinl, MSI Media Sales, Rainstrasse 4, 7250 Leonberg 7, West Germany (07152/47263), Telex 724 154 MSILD. Italy—Luigi Rancati, Rancati Advertising, Milano San Felice Torre 5,20090 Segrate, Italy (02-7531445). Telex 311250 PP MI I PER RANCATI—7531445. Asia—Martin Clinch, Martin Clinch & Assoc. Ltd., 15/F 53 Lockhart Rd., Hong Kong (5-273525). Telex 76 041 MCAL HX.

Advertising Age, with which is incorporated Advertising Agency Magazine, formerly Advertising & Selling, is published weekly by Crain Communications Inc. at 740 Rush St., Chicago 60611 (312-649-5200). Offices at 220 E. 42nd St., New York 10017 (212-210-0100); National Press Bldg., Washington, D.C. 20045 (202-638-5300); 965 E. Jefferson Ave., Detroit 48207 (313-567-9520); 6404 Wilshire Blvd., Los Angeles 90048 (213-651-3710); 5327 N. Central Expwy., Suite 200, Dallas 75205 (214-521-6650).
Chicago cable address: CRAINCOM Telex number: 25-4248. Microfilm copies are available from University Microfilms, 300 N. Zeeb Rd., Ann Arbor, Mich. 48013. Microfiche copies are available from Bell & Howell, Micro Photo Division, Old Mansfield Rd., Wooster, O. 44691.

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Advertising Agency

Al Paul Lefton Co., New York—G. William Wolfston, vp; Larry Wilson, acct rep.

WILSON JONES CO.

Chicago

Marketing Personnel

J. Yates, vp sales and mktg
R. Smock, vp-adv and mktg services
M. Rosenfeldt, adv mgr

Advertising Agency

Al Paul Lefton Co., New York—G. William Wolston, vp.

ACUSHNET CO.

New Bedford, Mass.

Marketing Personnel

Golf Division

R.B. Forbush, director-mktg
B.V. Pinsky, business mgr-golf balls
Theodore S. Ingalls, business mgr-clubs, putters
Robert A. Shell, business mgr-accessories
Dale H. Chambers Jr., natl sales mgr
N.W. H. North, intl mktg mgr

Rubber Division

J.S. Wileczka, director-mktg and sales
R.T. LaCrosse, mgr-mktg and sales admin
C.A. Calder, mgr-natl accts
R.A. Bugg, mgr-natl accts
Ernest P. Amaral, mgr-natl accts
Jack W. Wagner, mgr-natl accts
Charles C. Gregory, field sales mgr

Advertising Agencies

Humphrey Browning MacDougall, Boston—golf division, John McNamara, acct super; rubber division: Marty Curran, acct super.

JAMES B. BEAM DISTILLING CO.

Chicago

Marketing Personnel

Victor Zast, director- mktg and adv
B.J. Bilocerkowycz, adv mgr

Advertising Agencies

Lee King & Partners, Chicago—Jim Beam bourbon—Charles Brom, acct super.

BBDO, Chicago—Beam's Black Label bourbon, Beam's Choice bourbon, Dark Eyes vodka, Chateaux cordials—Doug Hector, acct super.

Marsteller Inc., Chicago—Kamora Imported Coffee Liqueur, Spey Royal Scotch, Beamero Tequila, Aalborg Akvavit—D. Brashears, acct super.

SWINGLINE INC.

New York

Marketing Personnel

David B. Miller, vp-sales and mktg, Swingline Inc.
John Sheridan, director-sales and mktg, business machines div
Fred Weiss, vp-mktg devel and admin
Bill Gibbons, natl sales mgr-consumer products div, retail stationery div
Karen Hahn, mktg mgr-office products div
Anne Beirne, mktg services mgr, consumer products div and retail stationery div

Advertising Agency

Al Paul Lefton Co. New York—G. William Wolfston, president-mgmt super; Robert H.D. Ellis, vp.

MASTER LOCK CO.

Milwaukee

Marketing Personnel

Dwight W. Boyer, vp-mktg
Harv Schneider, mgr-mktg services

Advertising Agency

Cramer-Krasselt, Milwaukee—consumer trade, intl adv—W. Faude, acct super.

ANDREW JERGENS CO.

Cincinnati

Marketing Personnel

R.L. Dom, vp-mktg
R.V. Reed, director-prod mgmt
L.D. Cornell, director-new prods
R.R. Culpin, vp-sales

Advertising Agency

Cunningham & Walsh, New York—Jergens lotion, Jergens Aloe and Lanolin lotion, Gee Your Hair Smells Terrific shampoo and conditioner, Jergens lotion-enriched soap, Gentle Touch soap, Fiesta deodorant soap, Jergens Clear Complexion products—Frank Vernon, vp-mgmt super; Carole Foxley, vp-acct super; Debra Ludgate, acct exec.

AMERICAN CIGAR

New York

Marketing Personnel

G.L. Theophilos, exec vp
M.B. Hiott Jr., exec vp
K.P. Noone, mktg mgr
G.F. Ward, gen sales mgr
T.P. Tiernan, exec mgr-sales admin
J. Tessler, sales mgr-East
E.A. Vega, sales mgr-South
E.M. Totty, sales mgr-Central
S.G. Dye, sales mgr-West

Advertising Agency

SSC&B, New York—Roi-Tan, Antonio y Cleopatra, Bock y Ca, La Corona cigars, Roi-Tan Little Cigars, A & C Little Cigars, Sail, Flying Dutchman, Clan and Blue Boar smoking tobaccos—Ken Robbins, ceo; Hal Rover, vice-chairman; Howard Becker, senior vp-mgmt; Helen Runsdort, vp-acct super; Dan Bellucci, acct exec.

FRANKLIN LIFE INSURANCE CO.

Springfield, Ill.

Marketing Personnel

Jack Watson, senior vp-mktg
T.M. Costa, vp, director-sales promo

MCM PRODUCTS

New York

Marketing Personnel

E.S. Abrain, president, W.R. Case & Sons Cutlery Co.
A. Ritchie, president-Marson Corp.
P. Greenberg, vp-mktg and sales, Marvel Lighting Corp.
G. Radler, director mktg, Swingline of Canada Ltd.

Advertising Agencies

Al Paul Lefton Co., New York—W.R. Case & Sons—Bob Ellis, Rob Grundy, acct execs.

Ingalls Associates, Boston—Marson Corp.—Joseph Maynard, chairman.

Kolker, Talley, Hermann, New York—Marvel Lighting Corp.—Stanley Kolker, president.

Leslie Advertising Ltd., Don Mills, Ontario—Swingline of Canada Ltd.—Jerry Leslie, president.

PINKERTON INC.

Marketing Personnel

Ronald R. Schmidt, vp-director of mktg and business devel

Advertising Agency

N W Ayer, New York: William Scholz, acct super; Richard Kennedy, acct exec.

Organic Gardening: Fertile ground for GMC, Chevrolet, Ford, and Dodge.

A gardening magazine—if it's the *largest* gardening magazine—is a great place to cultivate sales for all kinds of advertisers:

Sellers of garden products and outdoor power equipment, of course.

But automotive companies, too: They know that over half of our subscribers own pickups.

Kitchen-appliance manufacturers: They see cooking and baking from scratch in 97% of our subscriber households.

And power-tool or home-energy advertisers—who know all about our readers' reliance on a self-reliant lifestyle.

Ask Robot-Coupe. Or Stihl. Or Sears. Then ask yourself: Shouldn't you be sharing in the harvest?

Sanford T. Beldon, our publisher, can introduce you to 1,350,000+ subscribers who are always buying seed *and* something else. Call him today at (215) 967-5171. Or write:

Organic Gardening®
The service magazine for the New Spirit in America
A Rodale Press Publication Emmaus, PA 18049

Sources: ABC, *Organic Gardening* Subscriber Study, Don Bowdren Associates, 1982

American Broadcasting Cos.

	1982	1981
Sales........	$2,664,528,000	$2,443,713,000
Earnings.....	160,027,000	146,313,000
Advertising*..	42,860,700	40,000,000

*AA estimate

American Broadcasting Cos., New York, the 100th largest national advertiser, increased its advertising budget 7.2% to an estimated $42.8 million in 1982.

The ABC Television Network was ABC's leading corporate spender, increasing its measured media budget 15% to $13.9 million from $12 million in 1981.

All but $470,000 went to magazines, as usual. The increase in tv network spending reversed a trend set last year, when ABC-TV cut advertising spending almost 25%.

The next biggest ad spender was WABC radio, the ABC-owned-and-operated station in New York, which spent $1.1 million in spot tv, a dramatic increase from the 1981 budget of $18,500 in magazines exclusively.

In 1982, ABC reported record revenues of $2.6 billion for 1982, a 9% increase from 1981 revenues of $2.4 billion. After being flat in 1981, net earnings in 1982 increased 9.3% to $160 million from $146 million.

The company reported that while revenues reached record levels in the tv network and owned tv stations divisions, increased competition for advertising revenues in radio and publishing, combined with advertiser resistance to make dollar commitments to new ventures in video technologies and network radio, prevented net earning from reaching even higher levels.

The ABC Television Network division showed earnings increases despite the disruptive effect of the National Football League players' strike and higher costs for entertainment and news programing.

The ABC Owned Television Stations division increased revenues for the third consecutive year and posted the first earnings gains for the division in two years.

ABC Publishing experienced a 7% decline in revenues in 1982, compared with 1981, but earnings before taxes rose to $23.9 million from $4.3 million.

ABC Video Enterprises increased revenues 17.5% in 1982, but losses before taxes increased to $32.3 million, compared with $7.6 million in 1981. The losses were attributed to ABC's three advertiser-supported cable networks' failure to attract sufficient ad support, the development of the RSVP pay-television sports service and the preparations for startup of TeleFirst, a national over-the-air program distribution service that changed its name this year from the Home View Network.

ABC Motion Pictures, which released its first two theatrical films in

100 LEADERS

Media expenditures compared in 1982

Measured media only; ad dollars in thousands

100 LEADERS

Category	Rank	Company	Total	Newspaper	Magazine	Farm pubs	Net tv	Spot tv	Net radio	Spot radio	Outdoor
Food	6	General Foods Corp.	349,341.8	1.3	8.5	[illegible]	[illegible]	66.3	1.6	2.0	—
	9	Nabisco Brands	115,205.0	5.4	10.2	[illegible]	[illegible]	57.8	1.0	7.8	0.4
	16	Beatrice Foods Co.	40,185.4	1.4	30.8	[illegible]	[illegible]	8.4	—	1.2	6.6
	19	McDonald's Corp.	162,908.8	—	0.5	[illegible]	[illegible]	36.8	1.3	1.1	2.5
	21	General Mills	230,150.4	1.8	7.6	[illegible]	[illegible]	40.7	3.4	0.8	0.1
	23	H.J. Heinz Co.	78,570.7	4.7	7.5	[illegible]	[illegible]	58.4	0.6	—	—
	27	Ralston Purina Co.	124,372.6	2.1	7.2	[illegible]	[illegible]	66.4	4.6	—	0.1
	31	Dart & Kraft	163,570.2	4.3	16.0	[illegible]	[illegible]	37.7	2.1	0.6	—
	32	Esmark Inc.	68,501.7	2.7	11.4	[illegible]	[illegible]	72.1	0.8	—	0.1
	33	Norton Simon Inc.	93,967.3	9.6	28.5	[illegible]	[illegible]	39.5	2.3	0.8	3.1
	34	Consolidated Foods Corp.	92,492.7	2.4	14.5	[illegible]	[illegible]	59.6	2.5	1.3	0.3
	36	Pillsbury Co.	132,914.9	1.6	3.7	[illegible]	[illegible]	54.8	4.6	—	0.6
	43	Kellogg Co.	104,167.3	2.6	9.0	[illegible]	[illegible]	58.6	0.8	—	0.2
	52	Campbell Soup Co.	80,613.1	4.1	8.9	[illegible]	[illegible]	50.5	2.7	12.1	0.1
	57	Nestle Enterprises	93,382.2	3.9	9.1	[illegible]	[illegible]	52.6	1.1	2.3	0.2
	59	Quaker Oats Co.	64,622.4	2.9	10.6	[illegible]	[illegible]	53.4	0.2	—	—
	62	CPC International	47,597.7	1.8	19.3	[illegible]	[illegible]	49.3	0.2	—	1.0
	97	Wendy's International	33,535.8	—	—	[illegible]	[illegible]	41.3	3.3	—	2.0
Automobiles	3	General Motors Corp.	394,413.1	20.8	21.8	[illegible]	[illegible]	41.6	5.2	2.0	1.3
	12	Ford Motor Co.	288,306.1	15.8	26.4	[illegible]	[illegible]	44.7	7.6	2.2	0.4
	35	Chrysler Corp.	163,465.3	18.1	15.7	[illegible]	[illegible]	41.7	7.3	1.8	0.5
	55	Nissan Motor Corp., U.S.A.	91,066.7	10.7	14.0	[illegible]	[illegible]	25.9	12.4	—	1.1
	58	Toyota Motor Sales	98,533.3	15.8	11.1	[illegible]	[illegible]	21.6	3.7	0.2	2.1
	61	Volkswagen of America	86,967.1	18.4	32.9	[illegible]	[illegible]	26.6	2.4	—	—
	64	American Honda Motor Corp.	76,891.8	9.1	20.1	[illegible]	[illegible]	38.9	15.4	1.6	3.4
	79	American Motors Corp.	63,458.2	9.6	24.7	[illegible]	[illegible]	41.0	0.2	—	0.2
	82	Mazda Motors of America	57,931.4	3.4	21.3	[illegible]	[illegible]	46.1	0.1	—	0.2
Pharmaceuticals	10	American Home Products Corp.	216,930.7	1.0	6.1	[illegible]	[illegible]	74.1	0.9	0.8	—
	15	Warner-Lambert Co.	131,563.2	1.0	6.0	[illegible]	[illegible]	61.6	1.4	5.0	—
	17	Johnson & Johnson	163,615.3	1.9	17.4	[illegible]	[illegible]	74.5	0.6	1.0	—
	46	Sterling Drug	93,433.0	0.5	8.8	[illegible]	[illegible]	71.0	0.3	2.3	—
	50	Richardson-Vicks	71,289.4	—	11.4	[illegible]	[illegible]	68.0	0.2	1.0	—
	51	Schering-Plough Corp.	72,632.7	0.4	23.2	[illegible]	[illegible]	59.1	1.7	5.0	2.6
	68	SmithKline Beckman	34,486.6	0.5	7.3	[illegible]	[illegible]	80.0	0.1	—	—
	77	Miles Laboratories	44,168.8	0.2	9.6	[illegible]	[illegible]	79.7	—	—	—
	85	Pfizer Inc.	43,791.7	1.0	17.1	[illegible]	[illegible]	74.2	0.3	0.2	—
Airlines	66	Trans World Corp.	54,362.7	36.5	8.0	[illegible]	[illegible]	14.8	14.7	0.3	1.1
	80	Pan American World Airways	37,756.8	63.8	4.4	[illegible]	[illegible]	21.9	3.5	—	0.9
	81	UAL Inc.	64,218.9	9.3	6.0	[illegible]	[illegible]	21.5	22.0	0.8	0.2
	87	AMR Corp.	51,367.8	36.6	1.7	[illegible]	[illegible]	23.9	16.4	—	0.4
	89	Eastern Air Lines	52,148.3	41.5	8.9	[illegible]	[illegible]	10.0	19.6	—	4.1
	94	Delta Air Lines	46,042.6	53.6	1.7	[illegible]	[illegible]	—	25.5	—	4.0
Communications and entertainment	25	Warner Communications	148,550.8	12.7	16.8	[illegible]	[illegible]	50.8	0.6	0.8	—
	41	CBS Inc.	64,896.7	24.5	43.5	[illegible]	[illegible]	4.4	1.2	0.8	1.2
	49	Time Inc.	94,323.1	21.4	32.0	[illegible]	[illegible]	11.5	2.5	0.1	0.3
	70	MCA Inc.	42,213.3	10.9	3.4	[illegible]	[illegible]	48.5	15.1	0.2	0.7
	86	20th Century-Fox Film Corp.	34,952.2	3.1	3.3	[illegible]	[illegible]	65.1	2.2	0.3	0.5
	100	American Broadcasting Cos.	35,883.7	28.7	49.8	[illegible]	[illegible]	—	1.3	1.2	3.1
Tobacco	4	R.J. Reynolds Industries	418,888.3	29.4	26.5	[illegible]	[illegible]	13.6	0.7	—	18.4
	5	Philip Morris Inc.	432,394.7	19.4	30.1	[illegible]	[illegible]	25.6	5.2	—	11.7
	24	Batus Inc.	175,015.7	24.5	42.0	[illegible]	[illegible]	—	0.1	—	24.3
	60	Loews Corp.	80,266.8	28.2	36.1	[illegible]	[illegible]	1.5	0.2	—	29.4
	78	American Brands	62,077.4	14.3	52.0	[illegible]	[illegible]	11.3	0.1	—	19.8
	91	GrandMet USA	50,154.1	8.5	50.3	[illegible]	[illegible]	15.7	0.6	—	9.3
Toiletries and cosmetics	30	Bristol-Myers Co.	152,968.6	1.3	16.5	[illegible]	[illegible]	69.1	3.6	1.1	0.1
	37	Gillette Co.	94,469.3	3.7	8.8	[illegible]	[illegible]	78.4	—	—	—
	48	Chesebrough-Pond's	70,834.6	7.4	23.8	[illegible]	[illegible]	65.0	0.6	—	—
	53	Beecham Group Ltd.	80,466.6	—	9.7	[illegible]	[illegible]	82.9	0.1	—	—
	56	Revlon Inc.	66,499.3	0.7	21.4	[illegible]	[illegible]	59.1	0.6	2.6	—
	93	Noxell Corp.	48,251.6	—	26.1	[illegible]	[illegible]	65.3	—	0.5	—
Wine, beer and liquor	22	Anheuser-Busch Cos.	204,355.7	1.6	5.1	[illegible]	[illegible]	46.8	18.8	3.1	2.4
	44	Seagram Co. Ltd.	110,189.0	8.9	56.3	[illegible]	[illegible]	13.5	—	—	14.6
	76	Brown-Forman Distillers Co.	42,050.0	10.9	44.1	[illegible]	[illegible]	17.0	0.5	—	18.3
	90	Stroh Brewery Co.	45,548.8	0.9	1.2	[illegible]	[illegible]	30.7	27.8	—	3.9
	98	Hiram Walker Resources Ltd.	34,203.4	4.7	69.1	[illegible]	[illegible]	—	—	—	26.1
	99	E&J Gallo Winery	34,293.9	2.8	4.6	[illegible]	[illegible]	77.0	—	—	2.5
Soaps and cleaners	1	Procter & Gamble Co.	609,405.7	1.4	4.9	[illegible]	[illegible]	64.1	0.2	—	—
	14	Unilever U.S.	179,582.2	3.8	9.8	[illegible]	[illegible]	67.3	—	0.4	—
	18	Colgate-Palmolive Co.	97,889.0	2.8	7.4	[illegible]	[illegible]	61.0	4.4	—	—
	72	Clorox Co.	63,495.2	0.6	12.5	[illegible]	[illegible]	74.6	—	0.7	0.1
	75	S.C. Johnson & Son	55,066.3	2.9	17.1	[illegible]	[illegible]	62.2	0.7	0.9	—
Chemicals and gasoline	11	Mobil Corp.	48,268.3	16.7	12.8	[illegible]	[illegible]	20.3	7.7	—	—
	87	American Cyanamid Co.	54,308.0	0.3	11.7	[illegible]	[illegible]	67.8	3.2	—	—
	65	E.I. du Pont de Nemours & Co.	44,668.4	4.5	48.3	[illegible]	[illegible]	27.8	4.4	1.9	—
	69	Union Carbide Corp.	52,425.4	2.2	1.3	[illegible]	[illegible]	78.0	7.3	0.2	—
Appliances, tvs and radios	38	RCA Corp.	84,374.6	33.5	27.7	[illegible]	[illegible]	22.7	3.9	1.4	0.4
	40	General Electric Co.	49,505.7	12.2	20.8	[illegible]	[illegible]	58.5	0.8	0.4	0.7
	67	North American Philips Corp.	35,356.5	5.4	6.4	[illegible]	[illegible]	66.5	2.5	—	0.2
Gum and candy	54	Mars Inc.	100,907.6	1.3	1.5	[illegible]	[illegible]	49.2	0.9	—	—
	84	Wm. Wrigley Jr. Co.	66,228.2	—	—	[illegible]	[illegible]	71.8	0.1	2.6	—
	88	Hershey Foods Corp.	46,735.2	3.4	10.1	[illegible]	[illegible]	55.2	1.9	—	0.1
Photographic equipment	45	Eastman Kodak Co.	92,200.7	4.2	16.5	[illegible]	[illegible]	68.6	2.0	1.7	0.7
	95	Polaroid Corp.	37,744.8	3.7	12.1	[illegible]	[illegible]	57.2	—	—	—
	96	Canon U.S.A.	42,763.0	2.2	27.3	[illegible]	[illegible]	50.6	—	4.9	0.7
Retail chains	2	Sears, Roebuck & Co.	188,186.0	—	27.2	[illegible]	[illegible]	54.5	3.0	5.9	—
	8	K mart Corp.	56,136.9	—	15.9	[illegible]	[illegible]	57.8	10.0	1.4	6.3
	26	J.C. Penney Co.	54,710.7	—	20.6	[illegible]	[illegible]	43.6	1.3	4.0	0.3
Soft drinks	13	PepsiCo Inc.	196,316.1	1.5	4.2	[illegible]	[illegible]	38.6	8.4	1.4	0.6
	20	Coca-Cola Co.	174,206.3	2.5	3.5	[illegible]	[illegible]	50.1	8.1	0.1	1.8
	92	Royal Crown Cos.	33,516.7	8.2	—	[illegible]	[illegible]	14.3	1.9	—	1.9
Office equipment	71	Xerox Corp.	43,157.8	13.4	41.0	[illegible]	[illegible]	26.0	2.3	3.8	—
	74	IBM Corp.	64,368.5	14.7	25.5	[illegible]	[illegible]	46.2	4.3	2.4	0.1
Telephone equipment	7	AT&T Co.	263,554.7	13.1	15.5	[illegible]	[illegible]	56.1	7.1	2.8	0.5
	39	ITT Corp.	64,721.8	4.7	16.2	[illegible]	[illegible]	35.8	7.8	0.5	1.2
Miscellaneous	28	Mattel Inc.	97,698.1	6.8	9.5	[illegible]	[illegible]	67.4	0.2	1.5	—
	29	U.S. Government	101,435.5	6.6	31.3	[illegible]	[illegible]	36.7	7.2	9.1	0.9
	42	Gulf & Western Industries	57,722.6	7.8	10.6	[illegible]	[illegible]	42.1	1.1	1.4	0.5
	53	American Express Co.	66,289.3	17.8	18.7	[illegible]	[illegible]	36.6	4.4	—	—
	73	Greyhound Corp.	54,039.4	5.5	9.3	[illegible]	[illegible]	58.8	17.8	4.0	0.1
	83	Kimberly-Clark Corp.	51,438.0	3.2	19.6	[illegible]	[illegible]	53.9	0.2	—	—

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For nearly a decade, **THE SHOPPING CENTER NETWORK** has been producing traveling corporate exhibitions for sponsors like: KELLOGGS, MAJOR LEAGUE BASEBALL, BURGER KING, CLAIROL, GILLETTE, CBS, EASTMAN KODAK, GENERAL FOODS, EASTERN AIRLINES, RCA, RJ REYNOLDS and more.

HERE IS SHOPPING CENTER NETWORK'S 1983-84 LINE-UP

Traveling Recipe Festival

70 City Tour Promoting Food Products through recipe give-a-ways, video-tape recipe demonstrations and live demonstrations by On-Site Chefs. *(Space Available.)*

CHEVROLET'S NATIONAL FOOTBALL LEAGUE TRAVELING HALL OF FAME

100 City Tour, 6 million exposures, featuring live walk-thru displays of football history with product tie-ins. *(Space Closed.)*

AARP Festival

American Association of Retired Persons sponsoring a tour reaching the 50+ market with products, services, and tips from manufacturers on maintaining active lifestyles in the later years. *(Space Available.)*

M&M OLYMPIC JAR

Large six foot jar of M&M's goes on tour to have shoppers guess the correct number of M&M's enclosed... to win all-expense-paid trips to the Summer Olympics. *(Space Closed.)*

FLORIDA TRAVEL SHOW

Tours Major Northern Markets during winter months, promoting "Florida Attractions," "Travel" Related Products, and "Sun" Products. *(Limited Space Available.)*

New Products Fair

40 City Tour to introduce a vast array of new hi-tech consumer products that will enhance lifestyles through the 1990's. Video tape and live product demonstrations to shoppers... along with merchandising store tie-ins. All products must have been introduced within the last 12 months to qualify. *(Limited Space Available.)*

A Beautiful You

40 City Tour. Cosmetics, health, fashion and lifestyle activities that lead to a more "beautiful you."
Tour starts fall '84. *(Space Available.)*

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MIAMI, NEW YORK, LOS ANGELES

1982, showed a modest combined gross profit but continued to operate at a loss as a result of administrative and development costs, the company said.

After falling behind CBS in the fall 1982 ratings, ABC Television Network closed the gap mightily in the second half of the broadcast year to finish only one-half rating point behind CBS in prime time yearly averages ended April, 1983. The ABC-TV comeback was sparked primarily by the tremendous ratings successes of two miniseries, "The Winds of War" and "The Thorn Birds."

In the early-morning daypart, ABC's "Good Morning, America" dominated its network competition for the third year in a row.

In daytime programing, ABC continued its dominance of the three networks, a position it has held since 1977. The soap operas "All My Children," "General Hospital" and "One Life to Live" remained the highest rated among women viewers 18 to 49. The network added a new soap, "Loving," to the lineup this year.

ABC-TV Network also had success with made-for-tv movies, including "Grace Kelly," "Malibu" and "Charles and Diana: A Royal Love Story," among others.

While broadcasts of theatrical films included blockbusters such as "Kramer vs. Kramer," "Coal Miner's Daughter," "The Electric Horseman" and "Star Trek—The Motion Picture," the ratings strength and cost efficiency of the made-for-tv movies has led ABC-TV to begin purchasing fewer theatrical titles for next season.

ABC News launched two new programs, "World News This Morning" and "The Last Word," which has been canceled. "World News Tonight" employed its three-anchor format, which was interrupted this year when anchor Frank Reynolds died from viral hepatitis and cancer.

"Nightline," the late-night interview program with Ted Koppel, continued to perform well, although stations carrying the show have never approached NBC's number of stations for "The Tonight Show with Johnny Carson," its principal rival.

In sports, "ABC's Wide World of Sports" remained durable after 21 years on the air, registering its highest-rated Saturday and Sunday editions in 1982. NCAA college football continued to play on ABC. ABC Sports also concluded its first season of U.S. Football League broadcasts.

The ABC Owned Television Stations division was the most profitable station group in the country in 1982. KABC-TV retained its status as the ratings leader in Los Angeles. WXYZ-TV in Detroit remained the ratings leader in the market, while expanding its local news programing and producing the top-rated local morning program, "Kelly & Company." KGO-TV remained the top-ranked news programing in San Francisco.

ABC Radio launched two new networks and a national talk programing service, while closing down Superadio. The ABC Directions and ABC Rock Networks were launched in early 1982, and ABC Talkradio was introduced in May, 1982. ABC Radio Networks is converting to digital satellite transmission in a rollout plan that will be completed by 1984.

The ABC Owned Radio Stations division changed two stations, WABC-AM in New York and KGO-FM in San Francisco, to talk formats.

The division also acquired Watermark, a radio program producer and supplier, in 1982.

In 1982, ABC Video Enterprises, through joint ventures, launched two new advertiser-supported cable programing services, "Daytime" and Satellite News Channel. Recently, however, ABC announced that "Daytime" and the ARTS cultural service will be folded into an expanded joint venture with Viacom and its Cable Health Network. The new entity is to be called Hearst/ABC-Viacom Entertainment Services (HAVES).

In 1982, ABC Video Enterprises also began startup tests of the Home View Network, now called TeleFirst. The service, which is expected to go into test market in Chicago in January, 1984, will use broadcast signals to send scrambled signals of current theatrical films and other unspecified programing to subscribers equipped with home videocassette recorders.

ABC Video also entered a joint venture with ESPN for a pay-cable sports service, RSVP. The service staged its first event in 1983, the dual heavyweight championship boxing matches in May.

ABC Video in 1982 also formed a joint venture with Cox Communications to explore the opportunities in pay-per-view entertainment and information programing, including videogames, videotex and transactional services.

ABC Publishing reached record profits in 1982, with Chilton Co., a trade magazine publishing house, being its biggest revenue generator. *Los Angeles* magazine in 1982 achieved record revenues for a city magazine.

ABC Motion Pictures' "Young Doctors in Love," the unit's first theatrical release, had box office gross revenues of about $30 million.

In top-level personnel moves, Frederick Pierce was promoted to president and chief operating officer at ABC Inc. from executive vp. Mr. Pierce replaced Elton Rule, who became vice-chairman.

Anthony Thomopoulos was moved from president at ABC Entertainment to president at ABC Broadcast Group, a new position. Lew Erlicht, who had headed prime time programing at ABC Entertainment, was promoted to president of the division.

Craig Reiss

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$10,299,300	$10,270,300
Magazines	17,863,300	15,265,500
Spot tv	5,718,200	6,116,500
Spot radio	485,000	90,800
Network radio	415,200	1,087,000
Outdoor	1,102,700	655,400
Total measured	35,883,700	33,485,500
Unmeasured	6,977,000	6,514,500
Estimated total	42,860,700	40,000,000

ABC-TV NETWORK
Marketing Personnel

H. Weller (Jake) Keever, vp-sales
Warren Boorom, vp-genl sales mgr
Robert Silberberg, vp-natl sales mgr
Gordon Link, vp-director eastern sales
John Lazarus, vp-sports mktg and sales
John Tiedemann Jr., vp-daytime sales
Alfred A. Smith, vp-director daytime sales
Robert Cagliero, vp-early morning sales
Marvin Goldsmith, vp-prime time sales proposals
William Breen, vp-news sales
Anthony Rocco, vp-business devel
Charles Allen, vp-sales admin
Paul W. (Pete) Barrett, vp-advertising
Charles Gabelmann, vp-sales devel & affiliate projects
Madeline Nagel, vp-mktg
Edward Ryan, vp-eastern sales mgr
John Grace, vp-tv network sales, central division
Richard Wozniak, vp-tv network sales, Detroit
Douglas Streff, vp-tv network sales, western division
William Gillogly, vp-news sales, central division
Edward Wollock, vp-sales mgr, central division

ABC Sports

Peter Dimmock, vp-intl

ABC Owned TV Stations

Elio Betty, vp-sales and mktg
Phyllis Green, director retail mktg

ABC-TV Spot Sales

Walter Flynn, vp-genl mgr
Georgia Breza, director-planning and admin
Philip Sweenie, genl sales mgr

ABC Radio Networks

Louis J. Severine, vp-director of sales
Arthur Sulzburgh, vp-natl sales mgr
Dan Perry, vp-western sales mgr
Joseph Kelly, vp-Detroit sales mgr
Robert Watson, vp-eastern sales mgr
Dennis Glynn, vp-central sales mgr
Rhonda Hack, mgr-southwestern sales
Tom Rocco, mgr-special programs sales
Michael A. Winter, director-creative services
Linda Meilan, director-sales admin
David Logan, sales mgr-mkt development
Blaise Leonardi, sales mgr-youth networks
Frank Leoce, sales mgr-adult networks

ABC Video Enterprises

Archie C. Purvis Jr., vp-video sales division
Marvinia Hunter, director-cable/cassette mktg, video sales
Carol E. Francesca, director-ABC Merchandising

Advertising Agencies

Grey Advertising, New York—ABC-TV movies for tv, miniseries—Donald Foley, genl mgr-entertainment & leisure; Bob Griffin, acct super.

McCaffrey & McCall, New York—ABC-TV sports, theatricals, all other entertainment dayparts—Norman Freedman, group acct mgr; Patrick Corrigan, acct super-sports; George Rojaf, acct super-entertainment.

N W Ayer, New York—ABC-TV news—Tom Maxey, exec vp-exec acct director; Irwin Fischer, vp-acct super.

Nadler & Larimer, New York—ABC Radio Networks—Chuck Einach, acct super; Wendy Forman, acct exec.

American Cyanamid Co.

	1982	1981
Sales	$3,453,674,000	$3,649,073,000
Earnings	132,127,000	197,054,000
Advertising*	133,000,000	138,000,000

*AA estimate

American Cyanamid Co., Wayne, N.J., the 47th largest advertiser in the U.S., cut its ad spending 3% in 1982 to an estimated $133 million.

Worldwide sales of the company and its subsidiaries decreased 5.4% to $3.45 billion in 1982. Net earnings decreased 33% to $132.1 million after having increased 23.8% to $197 million in 1981.

The earnings decline was attributed in part to pretax foreign currency exchange losses of $72 million. In 1981, foreign currency exchange losses were tabbed at $52.2 million.

Although high interest rates, reduced industrial activity and a farm depression affected the agricultural, chemical, consumer products and Formica brand products groups of Cyanamid, the medical group fared well, despite the rising value of the dollar.

Worldwide sales of $500 million for the consumer products group were down from $519 million in 1981. This represents 14% of the total company sales, a percentage that has remained steady for the past five years. Earnings from consumer operations were $16 million, down from $34 million last year.

In the U.S., sales of Shulton toiletries increased, helped along by the successful launch of Lady's Choice, a new solid antiperspirant. Cyanamid spent $5.7 million in media support on this new product; of that total $5.3 million was spent on network tv advertising.

The men's deodorant and antiperspirant business showed good sales and market share gains. As Old Spice stick deodorant continued to grow, Old Spice solid antiperspirant was introduced successfully.

Media spending for Old Spice stick deodorant was $4.3 million, principally on network tv. Another $2.5 million was invested in network and spot tv for Old Spice solid.

Pine-Sol liquid cleaner, the market leader, continued to experience increased sales. The company spent $6.4 million on Pine-Sol, allocating the budgets to network tv and spot tv.

In the fragrance segment, Old Spice maintained its No. 1 position. The company spent $7.7 million in media advertising to support the brand. Blue Stratos aftershave/cologne showed a modest year-to-year market share increase. Its $2.2 million budget included $1.4 million on network tv and the rest in magazines and spot tv.

While some of these products may have fared decently in the economic climate, the recession had a negative effect on the sales of prestige fragrances in the U.S. However, L'Air du Temps, Pierre Cardin and Grey Flannel brands managed to maintain their positions among the top 10 fragrances in their respective categories. Major media spending was as follows: $1.8 million for L'Air du Temps and $1.2 million for Pierre Cardin Cologne for Men, all in spot tv. Media spending for Cie perfume totaled $1.8 million in 1982.

Two new fragrances, Niki de Saint Phalle and Nina Ricci's Fleur de Fleurs, were successfully introduced by the Jacqueline Cochran subsidiary in 1982. Early in 1983 Cyanamid acquired the Swiss skincare line, La Prairie, to complement the prestige fragrance business.

The medical group was the largest contributor to profits in the company in 1982. Sales increased to $884 million, or 26% of the corporate total. Earnings increased to $98 million, or 42% of total operating earnings, up from $88 million in 1981.

Cyanamid's medical business consists of both prescription and nonprescription pharmaceutical products and hospital products. These products are marketed in the U.S. by the Lederle Laboratories division. The growth rate for pharmaceutical sales was the second highest among all major drug companies both in the U.S. and Europe.

The leading performer among the medical group was piperacillin, a new semisynthetic penicillin that was successfully launched in eight markets, including the U.S., Canada, Italy, the Netherlands and the United Kingdom. By the end of 1982, piperacillin had reached the second highest sales level ever recorded in the U.S. for an antibiotic in its introductory year.

A nonsteroid anti-inflammatory, Cinopal fenbufen, now awaiting the marketing go-ahead from the Food & Drug Administration, showed good sales growth in overseas markets in 1982, the company said.

Sales of Davis & Geck products, the surgical specialties area of the company, increased in 1982, aided by higher sales of Dexon absorbable sutures and the successful introduction in both the U.S. and Canada of Appose disposable skin stapler.

In the field of biotechnology, Lederle Laboratories entered into an agreement with Molecular Genetics in 1982 to work to produce a vaccine to immunize people against the viruses that cause some cold sores and genital herpes. Under the agreement, Lederle would produce and market the vaccine, using genetic-engineering technology developed by Molecular Genetics.

Worldwide sales of vitamins increased substantially, with Centrum multivitamins showing significant gains in this country. Centrum Jr., Lederle's first children's chewable vitamin, was introduced successfully last year.

Centrum has become a market leader in only four years, aided by its promotional tie-in with the 1980 Olympics, as well as substantial tv advertising.

In 1982 Cyanamid spent $9.3 million advertising Centrum vitamin and mineral tablets, making it the company's most heavily advertised product. Ad spending included $8.5 million on network tv and the rest on spot tv. This compares with $6.9 million spent in 1981.

Media spending for Stresstabs 600 vitamins increased to $3.9 million in 1982, up from $2.9 million in 1981. Of that total, $1.7 million was spent on magazines, $2.1 million on network tv and the rest on spot tv.

Cyanamid's agricultural group experienced declining sales and operating earnings in 1982, primarily because of depressed conditions in key market areas. Sales of $731 million—21% of total corporate sales—were down from $844 million, or 23% of total sales, in 1981. Operating earnings were down substantially, from $120 million in 1981 to $61 million in 1982.

The U.S. phosphate and nitrogen fertilizer industry had a disastrous year as a result of reduced demand, high inventories and overcapacity. These factors have combined to drive prices down to their lowest level in many years. In addition, the higher value of the dollar depressed export sales.

One product, Avotan growth promoter, increased its market share in Italy, France and Germany and maintained its leadership position in the European hog and poultry markets.

Maxforce insecticide roach control system was introduced for professional pest control in the U.S. in January, 1983. Cyanamid is also seeking registration for the use of Pay-Off insecticide on coffee plants, fruits and vegetables following its successful introduction to cotton growers worldwide.

Following the company's strategy to build on the basic strengths of the business by introducing new products in the animal industry area, Cyanamid introduced a patented gel formulation of Tramisol levamisole to expand the use of this major deworming product.

As in the agricultural products group, sales in Cyanamid's chemical group were down, declining to $967 million in 1982, or 28% of total sales for the company. Earnings dropped to $28 million in 1982. Last year, the group had sales of $1.1 billion and earnings of $78 million.

The economic climate influenced virtually every manufacturing and resource recovery industry serviced by the chemical division. Only the fibers business showed significant gains in 1982. This performance was based on the growing popularity of Creslan acrylic fiber in the hosiery market, coupled with a more energy-efficient manufacturing process.

Sales of the Formica brand products group also showed a decline, dropping to $372 million in 1982 from $412 million in the previous year. Earnings were $16 million, down from $33 million in 1981. The Formica group contributed 11% to Cyanamid's total sales for the last two years.

Mary Ann O'Connor

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$204,800	$130,800
Magazines	6,372,500	7,526,300
Farm publications	—	4,282,400
Spot tv	9,141,500	9,811,200
Network tv	36,839,800	30,651,900
Spot radio	1,749,400	2,371,400
Total measured	54,308,000	54,774,000
Unmeasured	78,692,000	83,226,000
Estimated total	133,000,000	138,000,000

AGRICULTURAL DIVISION

Marketing Personnel

T.J. Raser, adv mgr-pesticides
W.J. Reynolds, adv mgr-animal industry

Advertising Agencies

Bergelt Advertising, New York—poultry food prods, feed additives—E.C. Bergelt, acct super.

Tucker Wayne & Co., Atlanta—Counter, Avenge, Prowl, Thimet, Cygon, Cyprex, Pay-Off, Amdro, Maxforce—L.E. Ver Steegh, mgmt super; Mark Kirkpatrick, acct super.

H.T. Fenton, Somerville, N.J.—Arsenal, Cythion.

Miller-Meester, Minneapolis—Pesticides prod publicity.

Richardson, Myers & Donofrio, Baltimore—animal industry prods—Roger Randall, acct super.

CONSUMER PRODUCTS SHULTON U.S.A. DIVISION

Marketing Personnel

R.G. Bryan, vp-mktg
T.J. Kuhn, group prod mgr, lotion, cologne
R. Kellner, group prod mgr, hair prods
V.H. Sandham, group prod mgr, antiperspirants/deodorants
L.J. Lent, director, mktg services
J.B. Gibbs Jr., director adv services

JACQUELINE COCHRAN INC. DIVISION

Marketing Personnel

A. Rowland, exec vp-mktg
B. Kotlikoff, vp-mktg, Ricci prods
M. McAuliffe, vp-new business devel
R. Kapur, vp-Pierre Cardin and Grey Flannel
B. Gyde, mktg director, Niki de St. Phalle

Advertising Agencies

BBDO, New York—Nina Ricci/Pierre Cardin—Jack Thorne, exec vp; M. Paxton, senior vp; B. Day, vp-acct super.

Peter Rogers Associates, New York—Niki de Saint Phalle—J. Tabaczyk, mgmt director; L. Chasman, acct super.

FIBERS DIVISION

Marketing Personnel

W. DeMartine, vp-mktg
J.B. Simmons, mgr-mktg communications

Advertising Agency

Grey, Lyon & King, New York—Creslan acrylic fibers—E. Wollin, vp-acct mgr.

FORMICA CORP.

Marketing Personnel

J. Plumpton, vp
V.P. Langon, mktg director
N.R. Mathews, mktg mgr
R.H. Kilbury, communications mgr

Advertising Agency

Geers Gross Advertising, New York—D. Kurtz, president.

SHULTON INC. INTERNATIONAL DIVISION

Marketing Personnel

B.W. Morgan, vp-mktg
R. Vigue, mgr-mktg services

INDUSTRIAL PRODUCTS DIVISION

Marketing Personnel

M.R. O'Rourke, mgr-mktg communications

Advertising Agency

Hazard, Barbetta & Miller, Fairfield, N.J.—T. Brogan, acct exec.

LEDERLE LABORATORIES

Marketing Personnel

Pharmaceutical Dept.

D.R. Bethune, genl mgr-Lederle Pharmaceuticals dept
J.J. Mauzey, director-prod mgmt
R.M. Lynch, director-mktg, proprietary prods

Davis & Geck Dept.

K.F. Wilson, genl mgr
D.A. Sullivan, director-prof relations

Advertising Agencies

Carrafiello, Diehl & Associates, Hudson, N.Y.—T. Sweeney, acct exec.

Klemtner Advertising, New York—Gavin Scotti, acct super.

Rolf Werner Rosenthal Inc., New York—H. Messinger, mgmt acct super; R. Recobs, acct super.

Dugan/Farley Communications, Montvale, N.J.—E.J. Farley, exec vp.

CHEMICAL PRODUCTS DIVISION

Marketing Personnel

M.R. O'Rourke, mgr-mktg communications

Advertising Agencies

Wildrick & Miller, New York—W. Doyle, acct exec.

Hazard, Barbetta & Miller, Fairfield, N.J.—T. Brogan, acct exec.

CYANAMID EUROPE/-MIDEAST/AFRICA AND CYANAMID AMERICAS/-FAR EAST DIVISION

Marketing Personnel

Medical Products

K.M. Sethna, director mktg planning-CEMA
D.H. Shepherd, mktg mgr-Davis & Geck-CEMA
P.J. McManus, mktg rsch mgr-CEMA
R.A. York, mgr training and adv productions-CEMA
D.M. Leech, director-medical-CAFE
B.M. Blauvelt, mktg mgr, Lederle-CAFE
L.W. Huffman, mktg mgr, Davis & Geck-CAFE
E.F. Steinhauser, mktg rsch mgr-CAFE
L.R. Nadal, adv prod mgr-CAFE

Advertising Agencies

AM/PM Advertising, Newark, N.J.—R. Saks, R. Hodes, partners.

D.M. Advertising, New York—D.F. McGuillicuddy, president.

Klemtner Advertising, New York—L.A. Davies, acct super.

Landi & Handler, New York—G.M. Naimark, president; D. Barba, art director.

Marketing Personnel

Chemicals

J.B. Bell, director-mktg rsch chemicals-CAFE/CEMA
B. Coopersmith, director-organic prods-CAFE
C.C. Corcoran, director-water treatment mining & paper chemicals-CAFE
R.A. Roeder, director-chemicals-CAFE

Advertising Agency

Rebell International—Warren Rebell, president.

American Express Co.

	1982	1981
Sales	$8,093,000,000	$7,291,000,000
Earnings	581,000,000	524,000,000
Advertising*	95,458,000	76,036,700

*AA estimate

American Express Co., New York, the 63rd largest national advertiser, increased its advertising expenditures 25.5% in 1982 to $95.5 million from $76 million in 1981.

Sales at the financial and travel-related services company rose 11% to $8.1 billion in 1982. Earnings also increased 11% to $581 million. This upward trend is one that American Express has realized every year for the last 35 years. And the company is going for No. 36 if the first six months of 1983 are any indication: Reported earnings were $356 million vs. $262 million in 1982, a 36% increase. Sales for the six-month period increased to $4.8 billion from $3.7 billion in 1982.

Last August, American Express was the first financial services company added to the companies that make up the Dow Jones Industrial Average. The company saw this as confirming its belief that diverse financial services in this country will be one of the world's largest growth industries.

The American Express Co. comprises four business segments: American Express Travel Related Services Co., Fireman's Fund Insurance Cos., Shearson/American Express (brokerage and investment services) and American Express International Banking Corp. (AEIBC).

Earlier this year, the company completed the acquisition of several non-U.S. banking subsidiaries of the Trade Development Bank Holding S.A., which caters to an affluent market in Europe and Latin America. Earnings from international banking services rose from $12.1 millon to $31.8 million, a 163% increase over the first quarter of 1982.

The company also announced in July, 1983, the acquisition of Investors Diversified Services. IDS is a marketer of mutual funds and insurance. But one month later, plans for the acquisition were abandoned. This move is one of the first major turnarounds in Amex's continuing solidification of its position as a major financial conglomerate.

Amex's advertising spending in 1982 for network and spot tv was $39.5 million, a 13% increase over $35 million in 1981. More than half—$21.7 million—was used in promoting the company's credit card service. Karl Malden continued to commiserate with beleaguered travelers with the familiar admonition, "Don't leave home without it." Another continuing theme, "Do you know me?" extolled the card's virtues. Spokespeople (some of whose only apparent claim to fame is their name embossed on the green card) have ranged from sports figures (Tom Landry) to singers (Roger Miller) to prima ballerinas (Cynthia Gregory). Commercials portraying hotel personnel thrown into a frenzy of preparation for a soon-to-arrive card-carrying guest also underlined the clout the corporate Amex card bestows. There are currently 16 million American Express cards in use—15% more than in 1982.

The "Do you know me?" theme was used in radio late last year when American Express began a new campaign, which started in Southern California. The campaign features only restaurateurs in 30-second spots and is designed to mak customers more aware of restaurants that accept the American Express card. Shearson/American Express radio spots describe the brokerage's relationship with "the serious investor" as one of "minds over money." Spending for spot radio in 1982 was $2.9 million. This is double the $1.4 million the company spent in 1981.

One flaw that mars Amex's glowing financial complexion is its Warner Amex cable television joint venture with Warner Communications. Warner Amex Cable Communications (WACC), the sixth-largest cable company in the U.S., lost a reported $47 million in 1982. Results so far in 1983 indicate the situation hasn't cleared up yet: WACC continues to lose money because of "cost overruns and construction" problems as it builds more cable systems in metropolitan areas.

Former U.S. Secretary of Transportation Drew Lewis became chief executive officer of the cable tv operation Feb. 1, 1983. His No. 1 priority will be to restructure the company. Mr. Lewis also oversees Warner Amex Satellite Entertainment Co. (WASEC), although the programing arm will continue to operate as a separate company.

MTV:Music Television, one of the basic services offered by WASEC, grew in 1982 to 8.8 million subscribers from 2.2 million in 1981. This year, it became the first basic cable service to advertise on network tv (AA, July 11). Such rock biggies as David Bowie and Pat Benatar offered their services gratis to tout MTV in the tv campaign that began July 14 and ran for two weeks.

In addition to Mr. Lewis, there were several other changes in American Express' management profile. Sanford I. Weill, chairman of Shearson/American Express, was elected president of the parent company. He was succeeded by Louis V. Gerstner Jr., who continues to serve as chairman and ceo of American Express Travel Related Services. Peter A. Cohen, formerly vice-chairman and chief operating officer of Shearson/American Express is its new ceo and president. Edwin F. Cutler was elected chairman and ceo and vice-chairman and a director of American Express.

Cecelia Reed

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$11,840,300	$6,429,600
Magazines	12,088,600	8,952,600
Spot tv	15,190,100	9,497,900
Network tv	24,253,400	25,439,700
Spot radio	2,899,400	1,440,100
Network radio	—	1,033,700
Outdoor	17,500	1,100
Total measured	66,289,300	52,794,700
Unmeasured	29,168,700	23,242,000
Estimated total	95,458,000	76,036,700

AMERICAN EXPRESS TRAVEL-RELATED SERVICES

New York

Marketing Personnel

Richard D. Rosenbloom, vp-adv, worldwide
John C. Sutphen, senior vp-consumer mktg card prods
Morris Perlis, senior vp, service establishment mktg and sales
Frank J. Partel, senior vp, financial services institutions mktg and sales

SHEARSON/AMERICAN EXPRESS

New York

Marketing Personnel

David Pottruck, senior vp—consumer mktg and adv
Catherine Stewart, vp-natl adv

FIREMAN'S FUND INSURANCE COS.

San Francisco

Marketing Personnel

Barbara B. McNear, vp-adv and corp communications

Advertising Agencies

Ogilvy & Mather, New York—cards, travelers cheques, travel services, international banking—J. Brendan Ryan, senior vp-group director; Rochelle Lazarus, senior vp-mgmt super, card prod and services; Patricia Deneroff, vp-mgmt super, travelers cheques; Carlotta Rossini, vp-mgmt super, travel division; Parker Ransom, vp-mgmt super, international coordination.

Cunningham & Walsh, San Francisco—insurance—Joseph H. Therrien, senior vp-mgmt super; Emory Winship, vp-acct super.

McCann-Erickson, New York—American Express gold card, Shearson/American Express—Ian Hooper, senior vp-mgmt rep; Stan Adams, vp-acct director; Stewart Rose, acct super.

American Home Products

	1982	1981
Sales	$4,580,000,000	$4,131,237,000
Earnings	560,103,000	497,332,000
Advertising*	325,396,700	285,246,700

*AA estimate

American Home Products Corp., New York, the 10th largest national advertiser, increased its advertising 14.1% in 1982 to $325.4 million from the previous year as the company recorded its 30th consecutive year of increased sales and earnings.

Sales at AHP totaled $4.58 billion, an increase of 10.9%, and earnings hit $560.1 million, up 12.6% over the previous year.

The performance carried into the first and second quarters of the new fiscal year. Citing growth in heart drugs, birth control pills and tranquilizers, AHP reported for the second quarter a 13.4% increase in net income to $142.9 million, and a 7.3% increase in sales to $1.17 billion over the year-earlier period. Gains also were reported in food products, household products and housewares.

The largest division at AHP, prescription drugs and medical supplies, accounted for 47% of total sales and 62% of pretax earnings, including results of Sherwood Medical Group, acquired from Brunswick Corp. for $425 million in March, 1982.

In 1982, the ethical drug divisions introduced to the market Wytensin, an anti-hypertensive drug; Nordette, an oral contraceptive, and Aygestin, a hormone treatment. In April, 1983, the Food & Drug Administration approved Ives Laboratories' Cerubidine for use in pediatric leukemia care, and Ayerst Laboratories' Inderal LA for use in controlling high blood pressure, chest pain and migraine headache.

AHP's food segment, consisting of E.J. Brach & Sons and American Home Foods divisions, in which Chef Boy-Ar-Dee is the big advertised brand, accounted for 17.8% of total

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sales with $817 million for the year.

Chef Boy-Ar-Dee, which received $16.4 million in measured media spending—virtually all in network and spot tv and magazines—introduced Cosmic Kids, character-shaped macaroni in a chicken-flavored pasta and sauce. Chef Boy-Ar-Dee Soup Di Pasta joined Condensed Italian Starter sauce, Portofino Northern Italian style spaghetti sauce and Luck's Country Style soups in test market.

Gulden's mustard, which introduced a squeeze bottle, had measured ad spending of $1.3 million, an increase of 18% from the previous year.

In household products/housewares, which posted $1.03 billion or 22% of total sales, Boyle-Midway introduced Woolite Gentle Cycle Powder ($3 million campaign by Cunningham & Walsh), new Black Flag and Wizard products, Easy-Off mildew stain remover ($1 million) and Sani-Flush Tank II bowl cleaner. Ekco cut its ad budget to $760,000, down from $1.9 million in 1981.

Package medicine sales totaled $595 million. Whitehall Laboratories' Aspirin-Free Arthritis Pain Formula Anacin was introduced with actor Robert Young, who also is spokesman for Arthritis Pain Formula with aspirin. The products had a reported combined ad budget of $6.3 million in 1982.

Dristan, No. 2 in the over-the-counter cough/cold remedy market with a 13% share (Richardson-Vick's Nyquil holds the lead at 14%), spent about $23 million in advertising. Dristan Ultra Colds Formula in tablet, capsule and nighttime liquid was introduced, backed by $2.6 million in measured media.

Anacin reportedly holds 12% to 13% of the $850 million analgesic market, behind Johnson & Johnson's Tylenol. More than $29 million was spent on various Anacin advertising campaigns last year, up $1.6 million from 1981.

Anacin franchise sales skyrocketed after the Tylenol cyanide poisoning scare last year, moving from a reported 15.2% of food store sales for analgesics to about 21.5% six weeks into the scare. AHP also increased measured advertising for nonaspirin Anacin 3 from about $6.7 million in 1981 to $26 million. It was also reportedly couponing heavily during the Tylenol scare.

To help advertise these products, AHP in 1982 made its third consecutive multiyear deal with NBC. The buy, however, attracted attention, as AHP committed $250 million over three years, rather than two, to NBC. Of that, $100 million is for nighttime advertising. The deal locked up a substantial part of the network's inventory.

In February, 1982, AHP gutted its inhouse agency, John F. Murray Advertising, moving an estimated $50 million in creative and media planning assignments to five other agencies. Murray retained spot and network tv buying.

In the shakeup, William Esty Co. received Whitehall Labs' Anacin account. Kornhauser & Calene took Trendar and Preparation H, which received $17.5 million in 1982. Rosenfeld, Sirowitz & Lawson got Maximum Strength Anacin and Oxipor. In November, 1982, RS&L resigned the Sleep-Eze, Freezone, Semicid contraceptive, Maximum Strength Anacin and Oxipor accounts, worth an estimated $5 million in advertising. The agency had reportedly worked on commissions of 9% and less.

Cunningham & Walsh picked up Boyle-Midway's Aerowax and Easy-Off window cleaner. In January, 1983, Y&R received Whitehall Labs' Maximum Strength Anacin, Anbesol antiseptic, Bronitin asthma relief, Sleep-Eze, Neet hair remover and Semicid contraceptive. Billings were put at $13.5 million. RS&L gave up nearly all the products. Neet, however, came from Kornhauser & Calene and Anbesol from Esty.

Hicks & Greist got the controversial Sani-Flush Tank II automatic bowl cleaner, reported to have a $16 million kickoff campaign. Procter & Gamble sued AHP over the product, alleging it infringed on P&G's patent for Brigade automatic toilet bowl cleaner.

In management changes, Judson St. John was named president of Ayerst Laboratories, W. Richard Kern became president of Ekco Housewares, Robert Miller president of Dupli-Color Products and Paul van Zuydam managing director of Prestige Group.

Mark Liff

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$2,090,700	$1,681,200
Magazines	13,259,400	10,362,200
Farm publications	513,200	519,500
Spot tv	36,733,600	40,376,700
Network tv	160,767,200	131,449,800
Spot radio	1,841,400	1,840,200
Network radio	1,725,200	4,135,100
Total measured	216,930,700	190,246,700
Unmeasured	108,465,000	95,000,000
Estimated total	325,396,000	285,246,700

AMERICAN HOME PRODUCTS

Marketing Personnel

John W. Culligan, chairman and ceo
John R. Stafford, president
Marvin E. Schmalzried, senior vp
George DeMott, vp
Ernest Harper, vp
John Horsman, vp
Albert Pezzillo, vp

WHITEHALL LABORATORIES

New York

Marketing Personnel

Stanley F. Barshay, president
G. Prince, vp-mktg
W. Tauriello, vp-mktg
L.R. Yates, vp-new prod devel
Steve Kubinski, asst vp-adv dir

Advertising Agencies

William Esty Co., New York—Anacin, Anacin 3, Children's Anacin 3, Compound W, Dristan Tabs/Caps, Dristan nasal sprays, Heet, Momentum, Oxipor, Quiet World, Viro-Med—George Biava, senior vp-acct director; Tom Perotta, Ed Bauccio, Peter Balint, vp-mgmt supers; Tom Clark, Ed Peck, Will Waldron, vp-acct supers; Margorie Weisman, acct super; Mort Becher, Carol Coggins, Phil Gruber, Linda Hooper, Susan Barofsky, acct execs.

Kornhauser & Calene, New York—Arthritis Pain Formula, Aspirin-Free Arthritis Pain Formula, Denalan, Dristan Ultra Colds Formula, Preparation H cleansing pads, Dry & Clear, Denorex medicated shampoo, Outgro, Preparation H, Prepcort, Predictor, Primatene, Sudden Beauty, Youth Garde—Dick Mathews, vice-chmn; Alan Yarnoff, exec vp; Rick Kornhauser, Jim Harragan, Jane Welz, mgmt supers; Tom Dianis, Pat Coppola, Mike Dietels, acct super.

Young & Rubicam, New York—Maximum Strength Anacin, Anbesol, Bronitin, Neet, Semicid, Sleep-Eze—Bob Fane, mgmt super; David Nichols, Garth Anderson, acct supers.

John F. Murray Advertising, New York—responsible for all AHP network and spot broadcast time.

FRANKLIN LABORATORIES

Badger, Ia.

John D. Baker, vp-mktg
D.C. Sandvig, vp-genl mgr

Advertising Agency

Sander Allen, Inc., Chicago—Sander Allen, president.

AMERICAN HOME FOODS

New York

Marketing Personnel

D.P. Jaicks, president
T. Host, vp-mktg
K.H. Becker, vp-mktg services
J.P. Palminteri, vp-prod mgmt
J. Neuberger, adv director

Advertising Agencies

Young & Rubicam, New York—Chef Boy-Ar-Dee, Dennison's—Jane Brite, mgmt super; Jordan Stanley, Elsa Schafer, acct supers.

Cunningham & Walsh, New York—Gulden's mustard, G. Washington's seasoning and broth, Jiffy popcorn, Crunch 'n Munch snacks, Luck's Food—Steve Tart, mgmt super; George Ford, acct super.

Kornhauser & Calene, New York—Soup di Pasta, frozen prods, Tin & Glass pizza sauces—Steve Kornhauser, mgmt super.

E.J. BRACH & SONS

Chicago

Marketing Personnel

Ned E. Mitchell, president
R.B. Hecklau, senior vp-mktg & sales
Richard G. Secrist, vp-mkt devel
S.R Thompson, vp-sales
Robert C. Wells, vp-trade relations
Robert J. Urban, asst vp-mktg

Advertising Agency

BBDO, Chicago—Harry Ellsworth, acct super.

BOYLE-MIDWAY

New York

Marketing Personnel

Donald G. Grummer, president
Christopher F. duLaney, vp-mktg
R. Kuhl, vp-new prods
Ellen Schapps, George Woody, Fran Solmor, group prod mgrs
Ken Lagana, adv director

Advertising Agencies

Cunningham & Walsh, New York—Antrol, Aerowax, Easy-Off window cleaner and Easy-Off instant mildew stain remover, Pine & Shine, Depend-O, Diaper Pure, Snarol, Wizard charcoal lighter, Woolite, Woolite rug cleaners and Woolite upholstery cleaner—Steve Tart, mgmt super.

Kornhauser & Calene, New York—Sani-flush, Griffin shoe polish, Black Flag, Easy-Off—Henry Kornhauser, president; Ron Herlihy, mgmt super.

BBDO, Chicago—Pam, Quick Dip, Wizard air fresheners—Bob Pingrey, mgmt super.

Hicks & Greist, New York—Noxon, Sani-Flush 4 Month, Sani-Flush-in-Tank, Tank II, Zud, 3-in-One Oil, Plastic Wood, Easy-On Starch, Old English furniture polishes—Ed Ricchiutto, president.

DUPLI-COLOR PRODUCTS

Elk Grove Village, Ill.

Marketing Personnel

R.R. Miller, president
Fred Frieden, vp-mktg

Advertising Agency

Creamer Inc., Chicago—Ray Craig, acct exec.

EKCO HOUSEWARES CO.

Chicago

Marketing Personnel

W.R. Kern, president
L. Blair, vp-sales
Jack Theobold, adv mgr
T. Landy, group prod mgr-bakeware, kitchen tools and gadgets
E. Black, vp-mktg

Advertising Agency

William Esty Co., New York—John Scott, mgmt super; Roy Williams, acct exec.

EKCO PRODUCTS CO.

Chicago

Marketing Personnel

L.W. Schumm, president
Ed Heiser, exec vp
Jan Schuh, adv mgr

GLACO GROUP

Chicago

John Morris, president
Anthony Inzerillo, vp-sales & mktg

AYERST LABORATORIES

New York

Marketing Personnel

J. St. John, president
A. Somin, vp-operations

Advertising Agencies

Sudler & Hennessey, New York—Fluothane, Grisactin, Grisactin Ultra, Inderal, Inderal LA, Inderide, Auralgan, Sonar[illegible], Premarin—V. Trovati, senior vp.

Klemtner Advertising, New York—Riopan, Riopan Plus, Beminal Family, Atromid-S, Kerodex, Mysoline—J. Conlan, vp, group super.

William Douglas McAdams Inc., New York—Ultradol, Anacin 3 with codeine, Antabuse—W. Wolf, exec vp.

WYETH LABORATORIES

Radnor, Pa.

Marketing Personnel

Richard Bogash, president
Charles H. Brantley, vp-sales
John T. Spitznagel, vp-director promo

Advertising Agencies

William Douglas McAdams, New York—Nordette, Ovral, Lo/Ovral, Phenergan, Tubex.

Kallir, Philips, Ross, New York—Ativan, SMA, Nursoy, Collyrium.

Sieber & McIntyre, Morristown, N.J.—Cyclapen-W, Antibiotics.

F. Scott Kimmich & Co., S. Norwalk, Conn.—Wytensin, Equagesic, Mazanor.

IVES LABORATORIES

New York

Marketing Personnel

T. Cavanagh, president
J. Donovan, vp-mktg
Joseph Faherty, vp-finance
Herbert Lowenkron, senior vp-mktg

Advertising Agencies

Robert A. Becker Inc., New York—Isordil—Raymond Perry, Ed Martin, acct supers.

Klemtner Advertising, New York—Cyclospasmol, Synalgos-DC, Orudis—Gavin Scotti, acct super.

Lally, McFarland & Pantello, New York—Surmontil, Sectral, Cerubidine—Ron Pantello, acct super.

FORT DODGE LABORATORIES

Fort Dodge, Ia.

Marketing Personnel

Thomas W. Freeze, president
O.W. Whitcomb, vp-mktg
W.E. Ryan, director of adv

Advertising Agency

Miller-Meister, Minneapolis—Robert Miller, acct super.

EZ POR CORP.

Wheeling, Ill.

Marketing Personnel

L.W. Schumm, president
Joseph R. Dunbeck, exec vp
Steven R. Pierson, vp-sales & mktg
Peggy Fagan, adv mgr

Advertising Agency

Albert Jay Rosenthal & Co., Chicago—E-Z Foil (TM) bakeware—Skip Mueller, acct super.

SHERWOOD MEDICAL CO

St. Louis

Marketing Personnel

Howard E. Wickstra, president
David M. Olivier, vp gen mgr, Monoject
David A. Low, vp gen mgr, Argyle
John P. Davis, president, Analytab

Advertising Agencies

Frank Block Associates, St. Louis—Monoject and Argyle.

Falcon and Associates, Chatham, N.J.—Analytab.

COROMETRICS MEDICAL SYSTEMS

Wallingford, Ct.

Flave L. Jones, president
John Mankowich, vp-director of mktg
C.L. Voight, vp-sales
Michael Tuccio, director, mktg services

American Honda Motor Co.

	1982	1981
Sales*	$9,375,661,000	$7,945,401,000
Earnings*	303,721,000	277,177,000
Advertising**	94,891,000	68,346,000

*Worldwide; fiscal 1983 ended Feb. 28, 1983
**U.S. only; for calendar years

American Honda Motor Co., Gardena, Cal., the 64th largest national advertiser and the third-largest auto importer in the U.S., is a wholly-owned subsidiary of Honda Motor Co. Ltd., Tokyo.

The U.S. sales unit is estimated to have increased its total ad spending for calendar 1982 to $94.9 million, up 39% from $68.3 million in 1981.

The company, which markets Honda automobiles, motorcycles and a line of consumer power products, posted an 18% gain in worldwide sales for its fiscal 1983, with overseas sales accounting for 70% of the year's consolidated total. Autos accounted for 56% of sales, motorcycles for 24%, power products for 6% and parts and other revenues for the remaining 14%.

Net income was also up 10%, an increase reflecting the higher value of the U.S. dollar and increased profit margins on U.S. sales.

Honda cars continued to sell well in world markets, thanks in part to their fuel-efficient engines and the front-wheel-drive technology, which has been a feature on all its passenger car models since 1967. The company's last fiscal year recorded worldwide car sales of 1,115,000 units, up 7% over the previous year—the second straight year Honda auto sales have exceeded the million-unit level.

The U.S. accounted for 365,000 units in 1982, down from 370,705 units, a drop influenced by import quota restrictions placed on all Japanese auto manufacturers in 1980. Honda, which ranks as Japan's third largest unit producer of passenger cars, accounts for 16.5% of all imports into the U.S., with a 4.6% share of the total U.S. market.

Honda continued to use its "We make it simple" ad theme into its sixth model year, positioning its cars as more dependable and simple than its competition. But the simplicity theme was modified somewhat when the company introduced the sporty 1983 Prelude cars in April with the backing of a $5 million multimedia ad campaign. When it came to describing the restyled and re-engineered Prelude, Honda called it a "sports touring coupe" priced at about $10,000 and in this case the word "simple" simply did not apply.

Network tv represented the major expenditure in the company's support of its 1983 models, including the Prelude which was on the receiving end of an intensive prime time network and spot tv effort that ran from the first week in April through June. A 30-second spot aired on the networks and a 60-second version was used in the 20 top spot markets. The company also made heavy use of newspapers, magazines and spot radio.

Once again the popular Honda Accord led the company's sales in the U.S., selling 195,524 units, up from 172,557 in 1981. However, sales of the low end Civic line dipped to 132,469, down from 154,698 in 1981. Prelude sales also were off, down to 37,872 units in 1982, from 43,450 a year earlier.

Worldwide sales of Honda motorcycles during the past fiscal year rose 4% to 3,661,000 units, which accounted for 24% of the company's total sales. In the U.S., Honda boosted market share to 43.1%, up six points over a year earlier. Once again it led the field, followed by Yamaha (22.7%), Suzuki (14.7%), Kawasaki (13.2%) and Harley-Davidson (4.7%).

Honda's motorcycle gains took place despite a declining market. But company executives forecast im-

Prego spaghetti sauce

Campbell Soup Co.
***National introduction*: November, 1982**
***Agency*: Leber Katz Partners, New York**

Prego
It's in there.

proved sales for 1983, with an additional expansion of Honda's presence and domination of the motorcycle marketplace. Unit sales in North America accounted for 17% of total motorcycle unit sales for Honda outside Japan. At the same time, output at Honda's motorcycle plant in Marysville, O., continued to add to the company's production total, and in November the first U.S.-produced Accord rolled off the assembly line at the new auto plant in Marysville.

Honda introduced a variety of new models in 1982 and spent $29.2 million in measured media in the process on motorcycles and motorized bikes. The over-all ad budget for motorcycles is said to be the largest in the company's history. Some 76% of the media mix was in network and spot tv. Out of the $1.9 million spent on advertising motorized bikes in measured media, magazines grabbed 93% of this budget. The over-all campaign was set to the theme of "Follow the leader," now in its fourth year.

The gains recorded by Honda motorcycles were enhanced by booming sales in the three-wheel ATV (all terrain vehicle) market where Honda continues to hold a dominating 80% share of the U.S. market. Honda kicked off its 1983 motorcycle promotions with its second year of sponsorship of the Super Bowl game, as well as AFC and NFL championship games. The stepped up promotional effort for 1983 included heavy support for the new 1100cc vee-four, custom-styled V65 Magna.

This year the company also entered the vee-twin market with a custom-styled series of vee-twins, 500cc and 750cc displacement sizes, in what was characterized as the Shadow series. Another vee-four 750cc machine, a high performance bike called the Interceptor, got rave "Bike of the Year" reviews in many enthusiast magazines.

Power products, the third major group in Honda's worldwide operations, encompasses some 40 different products built around Honda's small high-efficiency engines. Currently receiving advertising support estimated at the $3.5 million level, specific power products have been singled out for emphasis in consumer magazines, a change from the omnibus approach used for the entire product line a year ago. Major expenditures are going to spot tv on behalf of Honda lawn mowers and the EM600 electric generator.

Honda's share of the U.S. lawn mower market is about 1%, but the company emphasizes it is not competing for the entire lawn mower market, just the high-price end.

Chuck Wingis

ADVERTISING EXPENDITURES*

	1982	1981
Newspapers	$6,957,300	$5,301,400
Magazines	15,446,000	12,371,000
Farm publications	—	596,600
Spot tv	8,864,900	4,529,900
Network tv	29,887,400	18,275,100
Spot radio	11,866,200	5,485,000
Network radio	1,238,900	—
Outdoor	2,631,100	1,287,800
Total measured	76,891,800	47,846,800
Unmeasured	18,000,000	20,500,000
Estimated total	94,891,800	68,346,800

*From AA's usual sources

ADVERTISING EXPENDITURES**
Auto division only

	1982	1981
Newspapers	430,000	574,600
Magazines	9,460,000	9,770,100
Spot tv	—	—
Network tv	13,250,000	12,677,500
Spot radio	1,420,000	127,700
Total measured	24,560,000	23,149,900
Unmeasured	17,500,000	13,060,000
Estimated total	42,060,000	36,209,900

**Figures supplied by company

Marketing Personnel

T. Chino, president
C. Schmillen, vp-auto div
K. Fukatsu, vp-motorcycle div
T. Kanazawa, vp-power prod div
E. Conn, natl adv mgr-auto div

Advertising Agencies

Needham, Harper & Steers, Los Angeles—William Hagelstein, vp-acct director, autos.

Dailey & Associates, Los Angeles—Mike Nyerges, senior vp-mgmt super, motorcycles; Roger Van Remmen, vp-acct super, power prods.

American Motors Corp.

	1982	1981
Sales	$2,878,416,000	$2,588,923,000
Earnings*	(153,474,000)	(136,563,000)
Advertising**	72,000,000	70,000,000

*(Loss)
**AA estimate

American Motors Corp., Southfield, Mich., the 79th largest national advertiser, increased its advertising budget 3% to $72 million in 1981.

While AMC sold more vehicles in 1982 than in 1981, its net loss rose to $153.5 million from $136.6 million in 1981. Sales, however, increased 11.5% to $2.9 billion.

AMC continued the same pattern in the first half of 1983, posting a loss of $145 million compared with a year-earlier loss of $119.7 million. Sales rose 37% to $1.4 billion. Lower international sales, expenses in phasing out AMC's rear-drive cars and costs associated with launching a new line of Jeeps, a second Renault version and a new four-cylinder engine were cited by AMC as contributing to the mounting deficit.

Renault products and the Jeep line are expected to carry the ball for AMC in the future. Alliance, a French car built in America, was introduced in September of 1982 with a $20 million ad campaign—large for just one car. The heavy advertising expenditure for Alliance and Fuego, introduced the previous spring, was aimed at not only increasing awareness of the cars, but doing the same for Renault as a whole.

Yet AMC's ad budget wasn't thrown out of whack—expenditures for other lines were trimmed. The biggest change was a jump in network tv spending to more than $26 million from $10 million. Spot tv dropped some $4 million while print increased slightly.

Renault consolidated its control of AMC (46% stock ownership) and named Jose J. Dedeurwaerder president. Five Renault executives are on the board of directors.

As Renault products proved successful in 1982, AMC labels struggled to survive. AMC Spirit and Concord were discontinued in the spring of 1983 because of a nearly 30% drop in sales. Eagle slumped from 43,221 in 1981 to 35,206 sales in 1982. Sales of AMC's other 4wd units, Jeep CJ, Cherokee, Scrambler, Wagoneer and pickup, were up slightly from 63,275 vehicles. The XJ is to be introduced in the fall of 1983 with a doubled Jeep ad budget.

Renault brand sales in 1982 stood at 37,540, up 21% from 30,869 in 1981. Fuego had sales of 12,000, some 20% more than the expected, and Alliance sold 30,173 units in its debut quarter with projections of well over 100,000 in the 1983 model year.

Total AMC vehicle sales dropped 7% to 213,734 units in 1982 from 230,826 units in 1981. Automotive operation losses increased to $193.9 million in 1982, compared with $149.4 million in 1981. AM General, marketer of postal and military vehicles, turned the largest profit for AMC in 1982—a total of $40.4 million over 1981's $13.2 million.

Along with the 7% decline in auto sales in 1982, AMC dropped to a 2% share of the total domestic market in 1982 from a 2.2% share in 1981. Jeep sales increased slightly in 1982, but AMC's share of the 4wd market slumped to 13.2% in 1982 from 15.8% in 1981.

In the fall of 1981, AMC restructured brand management and reorganized strategies to better market the three distinct product lines for model 1982. Jeep advertising budget was doubled, and Renault concentrated on image awareness with the line, "Where great engineering lives in great design." AMC cars got a versatility pitch; "Eagle is two cars in one (2wd and 4wd)."

Detroit auto makers cut prices in an attempt to induce sales, and AMC joined in with dealer incentives and rebates covering almost all of its vehicles. There was a $750 rebate on Jeep Wagoneers, Cherokee and big trucks, and a 10% rebate on Renault 18i, AMC Eagles and Concords. Prices were also slashed on LeCar.

In December, AMC was forced by the Federal Trade Commission to use stronger language on warning stickers put on Jeeps. The new stickers emphasized the possibility of rollover of the high-center-of-gravity Jeeps in "sudden sharp turns and abrupt maneuvers."

AMC tried to steer away from further rebates and targeted old-car owners with the "American Motors old car retirement plan," which provided consumers with up to $500 on top of an old car's trade-in value. The 1977-78 models received a $300 turn-in rebate and older models were given $500. Print and tv ads used the theme, "Which is going to give out first, your car or your money?"

While special programs continued, AMC shifted focus onto building the image of Renault and preparing the market for the new Alliance. The sporty Fuego, introduced in April, was said to be "the key to straddling both the domestic and import markets." Fuego accounted for more than 25% of Renault's import sales, which were up 22%. Ads used the headline: "New. Racy. Fuego."

In surpassing its sales predictions for Fuego, AMC cut advertising for the sportster when it ran out of cars to sell. AMC "reintroduced" the Fuego in March, 1983, with commercials concentrating on the turbocharged version and linking it with Renault's Formula One race cars.

The Renault Alliance entered the market in the fall with the $20 million introductory advertising campaign. The Alliance, Kenosha, Wis.-built from the French R-9, was called the most successful new product launch in the history of AMC.

The company boosted its advertising budget 17% on its new Renault vehicles, with Alliance tv and print ads playing off "Now Renault bridges the gap between European excellence and affordability."

Alliance received a "car of the year" award from a car "buff" magazine and advertised it heavily. Alliance lifted the company's domestic retail sales 49% for the quarter compared with the same period in 1981. AMC also pledged a policy of no rebates and "aggressive" sticker pricing.

The Jeep arm of AMC received little advertising attention in the fall, as the Alliance grabbed 60% of the company's advertising budget. AMC, however, stepped out with a new Jeep ad campaign in the winter quarter, "Why drive a car when you can drive a Jeep?" to broaden its market and set the stage for the fall introduction of new XJ, a down sized line of "senior" Jeeps—Cherokee, Wagoneer and eventually a pickup truck.

The XJ is designed to appeal to non-four-wheel-drive buyers as well with fuel economy, styling, packaging and size. "Instead of taking on mud stumps, rocks and logs, Jeep wants to take on the world of ordinary cars," said a spokesman.

AMC spent about $200 million to develop the new Jeep line, the first really new Jeep since 1962. "AMC will launch a major marketing effort and ad drive for Jeeps," said Joseph E. Cappy, AMC's vp-marketing group. Mr. Cappy replaced Thomas Staudt, now general marketing manager of Chevrolet, early in 1982. Preceding the introduction of the XJ, AMC rolled back prices on Jeep CJ and Scrambler, giving them a uniform base price of $6,765.

This was an attempt by the company to get back into the market with its younger "beer can" prospects. The special price was held until the end of the model year and a $500 price cut ran through July 12 along with the warranty offer.

After extended price cuts, the Renault LeCar was eased out of the U.S.

The company plans to refocus and broaden market segments by building front-wheel-drive cars using Renault platforms and an expanded Jeep lineup. AMC is dropping its own branded line and will market all cars as Renault lines and other vehicles as Jeep in the future. Marketing felt the effects of a decision to cut the salaried work force—Ray Avedian, then Jeep ad manager, was released.

AM General got a large U.S. Navy contract which accounted largely for the 32.5% increase in profits over 1981. Despite its success, AMC is trying to sell the AMG division to concentrate solely on its automotive line. In August of this year, AMC sold its Wheel Horse Products subsidiary, based in South Bend, Ind., to a group of Wheel Horse managers.

Ralph Gray

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$6,058,800	$5,223,100
Magazines	15,667,200	14,943,600
Spot tv	15,414,000	19,676,800
Network tv	26,024,300	10,058,100
Spot radio	147,300	236,300
Outdoor	146,600	13,000
Total measured	63,458,200	50,150,900
Unmeasured	8,541,800	19,849,100
Estimated total	72,000,000	70,000,000

Marketing Personnel

Joseph E. Cappy, vp-mktg group
David J. VanPeursem, genl mktg mgr
Robert F. Donovan, director-Jeep mktg
David G. Garfield, mgr-mktg services
James D. Jandasak, adv mgr-Jeep
Marvin Klein, adv mgr-Renault
Peter G. Guptill, genl mgr-U.S. sales

Advertising Agencies

Grey Advertising, New York—Bob Borgan, vp-mgmt super, deputy genl mgr, Detroit; Renault cars—Robert L. Bersenson, exec vp-mgmt rep; Bruce McRitchie, senior vp-genl mgr, Southfield, Mich.; Richard Krain, vp-mgmt super, New York.

Compton Advertising, New York—Jeep—William Williams, vp-office mgr, Detroit; Richard Rasor, exec vp-managing director, New York; John Dunmar, senior vp-mgmt super, New York.

American Telephone & Telegraph Co.

	1982	1981
Sales	$65,757,000,000	$59,081,000,000*
Earnings	7,279,000,000	6,823,000,000
Advertising**	373,585,000	297,000,000

*AA estimate

American Telephone & Telegraph Co. increased its advertising spending by 25.8% to an estimated $373.6 million in 1982 to become the seventh largest advertiser in the U.S. Of this, measured media spending consisted of $263.5 million or 70.5% of total advertising expenditures.

Financial and operating results, in spite of a sluggish economy, showed a significant improvement over the previous year. Sales jumped from $59.1 billion in 1981 to $65.8 billion in 1982, an increase of 11.3%. A total of $29.0 billion, or 44.1% of these revenues, came from the company's local service, while $33.3 billion, or 50.6% of total revenues, came from toll services. Net income for the year was $7.28 billion, an increase of 6.7% over 1981.

Local and toll service revenues increased 11.7% in 1982, partly because of growth in business and partly because of rate increases. The company's over-all volume of business (with adjustments for rate increases) rose by 4.4% during 1982.

The rate of growth varied in the service category. WATS lines and international messages experienced strong growth, while advances in network access lines and domestic toll messages were slow.

The Bell operating companies added only 1.1 million network access lines in 1982, compared with 2.1 million in 1981 and 2.5 million in 1980.

Total toll messages increased by 3.4% in 1982, while WATS messages were up by 17%. Revenues from international and overseas calling, however, remained constant, registering $1.8 billion in 1982.

Higher intrastate rates contributed $3.5 billion to the increase in revenues in 1982, while interstate rate changes contributed $557 million. Many of these rate changes reflected the increased revenue requirements associated with accelerated capital recovery measures.

Western Electric's net income declined 52.7% in 1982, attributable largely to a decision to phase out or reduce the activities of certain Western Electric manufacturing facilities. Another factor was the reduced demand for products and services from the Bell System's operating companies.

The largest share of AT&T ad spending went to long-distance lines, which received $50.3 million in measured media support, up from $47.8 million in 1981. More than 70% of this went to network tv buys, while magazines received $6.1 million, less than half the amount spent in 1981. Yellow Pages had a budget of $16.6 million, slightly higher than the $16.2 million it received in 1981.

The regional companies had their own advertising budgets, ranging from a high of $13.2 million for Southwestern Bell to a low of $5,200 for New York and New Jersey Bell Telephone companies.

In terms of a media breakdown, the lion's share of AT&T advertising went to network tv, which saw $95.1 million in spending in 1982, up sharply from the $68.9 million of the previous year. The next largest category was spot tv, which received $65.7 million, an increase of $5.9 million over 1981 support.

Newspaper spending underwent a sharp increase as well. From $21.5 million in 1981, it jumped to $34.5 million in 1982. Magazines showed a smaller increase. They received $40.9 million in 1982, up from $35.2 million in the year before.

The year 1982 was a historic one for AT&T. It marked the period in which the company reached agreement on a consent decree with the Department of Justice that set up the guidelines for the extensive restructuring and reorganization of the company.

In August, 1983, the company agreed to a federal judge's final changes in the divestiture plan, clearing the way for the plan to be implemented on Jan. 1, 1984.

The plan provides for the reorganization of AT&T's 22 operating companies into seven independent regional organizations:

- Far West (to be called Pacific Telesis): Pacific Telephone and Nevada Bell.
- Mountains and Great Plains (U.S. West): Northwestern Bell, Mountain Bell and Pacific Northwest Bell.
- Southwest (Southwestern Bell): Southwestern Bell.
- Midwest (Ameritech): Illinois Bell, Indiana Bell, Michigan Bell, Ohio Bell and Wisconsin Telephone.
- Southeast (BellSouth): South Central Bell and Southern Bell.
- Mid-Atlantic (Bell Atlantic): Bell of Pennsylvania, Diamond State Telephone Co., Chesapeake and Potomac Cos. and New Jersey Bell.
- Northeast (Nynex): New England Telephone and New York Telephone.

Grouping the 22 companies into seven regional companies, AT&T said, will enhance the new companies' ability to raise external capital and provide opportunities for improving operating efficiency. Additional economies will flow from a central services organization that will be owned jointly and supported by the seven regionals.

AT&T will continue to exist as well, but in a smaller though powerful form. It will comprise five parts with about $43 billion in assets—down from the $155 billion of the unbroken parent. The reconfigured AT&T will consist of AT&T Communications, an expanded version of the company's Long Lines division; Western Electric, which manufactures equipment for the telephone companies; Bell Labs, which supports the research and development activity of the phone company; AT&T Information Systems, the marketer of equipment and communications services to business and residential users, and AT&T International, an overseas marketer of equipment and services.

The Information Systems unit had initially been named American Bell, but under the changes the company agreed to in August, it can no longer

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use the "Bell" appellation except in the Bell Labs unit.

The national long-distance unit will be AT&T's biggest line of business after the divestiture. It will be managed as a single, national unit and will have some 130,000 employes—including Long Lines employes and 80,000 people from the Bell operating companies.

The newly formed unit will provide conventional telephone service, WATS and 800 service—as well as the newer offerings, such as Dial-It 900 service.

The major building block of the evolving nationwide system will be the 4ESS digital switching system, capable of handling more than a half-million long distance calls per hour. During 1982, the Bell System added 14 more of these switching systems, bringing the total in service to 84.

AT&T Information Systems (originally American Bell), the subsidiary formed in 1982 as part of the divestiture, consists of two divisions: Advanced Information Systems (AIS), which is to market information movement and management systems for business and residential customers, and consumer products, which is to provide home and small business communications and information systems.

Under capitalization plans approved by the Federal Communications Commission, about $500 million in assets is to be transferred to the subsidiary by July 1, 1984. The unit estimates that it will require a total of $4.7 billion in capital by 1985.

The FCC's Second Computer Inquiry mandates that the unit operate independently of the other regulated entities of AT&T. It must provide its own marketing, sales and billing. In addition, it is not permitted to own any transmission facilities. However, until 1984, installation and maintenance of AT&T Information Systems' business products will be provided by the Bell operating companies and Western Electric's field service organization.

Late last year, after an extensive search AT&T Information Systems (at that time, American Bell) chose Ogilvy & Mather to handle its account. AT&T had originally asked nine advertising agencies to make presentations for the account, and four of them—Ogilvy & Mather, N W Ayer, Campbell-Ewald Co. and Ketchum Communications—spent more than two months putting together the campaign. Eventually, it settled on Ogilvy & Mather. The account is estimated to have an initial value of about $30 million and is expected to grow by about 25% per year.

Bell companies are making a concerted bid for a new segment of the telecommunications industry—cellular radio. The subsidiary, Advanced Mobile Phone Service, is applying for cellular radio franchises in most of the country's major markets and has already received permission to build in Chicago, Boston and a number of other cities.

Plans call for the subsidiary to be phased out by the end of 1983 after it has formed seven cellular radio subsidiaries, which would then be spun off to the seven regional companies.

Among other areas that AT&T is entering are videotex and the manufacture of communications equipment for the international market.

AT&T International and the Dutch electronics company N.V. Philips created a joint venture to develop, manufacture and market sophisticated telecommunications equipment outside the U.S. The joint venture will be incorporated in the Netherlands and is expected to be in operation in 1984. It would be staffed by Bell System and Philips employes.

On the legal front, AT&T suffered a number of major mishaps. Early in 1983, a federal appeals court in Chicago sustained a jury finding that some AT&T tactics against MCI Communications broke antitrust laws. The appeals court sent the case back to the lower court to determine damages stemming solely from the unlawful acts, based on a proper damage study. The jury had initially awarded $1.8 billion in damages.

The next month, AT&T lost another antitrust battle when a federal appeals court in New York ruled that the company violated antitrust laws in its actions against Litton Industries when Litton tried to enter the telephone equipment business in the 1970s. The appeals court upheld a jury order awarding Litton $276.8 million in damages.

AT&T was also sued in federal court in Chicago by General Dynamics, which charged AT&T of antitrust violations in the telecommunications equipment market. General Dynamics accused AT&T of trying to monopolize the market for business telephone systems and other telecommunications equipment by making it difficult for competitors to sell their products.

Udayan Gupta

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$34,467,200	$21,530,600
Magazines	40,858,300	35,167,200
Spot tv	65,654,100	59,759,800
Network tv	95,006,200	68,926,800
Spot radio	18,869,000	16,367,100
Network radio	7,391,300	7,299,500
Outdoor	1,300,600	595,400
Total measured	263,554,700	209,646,400
Unmeasured	100,030,300	87,353,600
Estimated total	373,585,000	297,000,000

Corporate Advertising Personnel

J.L. Brunson, asst vp
D.J. Shaver, adv mgr

Advertising Agencies

N W Ayer, New York—Tom Maxey, exec vp; Hap Stoner, senior vp; Tina McDermott, vp-acct super; Ted Kolota, senior acct exec.

Cunningham & Walsh, New York—Bell System Yellow Pages—Carl Nichols, chairman; Nat Allan, senior vp; Tom Kirmayer, acct super; Helen Murphy, acct exec.

Uniworld Group, New York—corporate adv directed to minorities—Byron E. Lewis, chairman; Douglas Alligood, president; Linda Dukette, acct super.

LONG LINES DEPARTMENT

Marketing Personnel

K.M. Armstrong, adv director
P.C. Shyposh, adv mgr

Advertising Agencies

N W Ayer, New York—Stan Mattison, senior vp; Fred McClafferty, senior vp.

McCann Erickson, New York—Hank O'Brien, senior vp; Tom Driscoll, senior vp.

Young & Rubicam, New York—Mort Lowenstein, mgmt super; Mark Linder, acct super.

WESTERN ELECTRIC CO.

Marketing Personnel

R. Varner, genl pr director
R.J. Martin, natl adv mgr

Advertising Agency

Foote, Cone & Belding, New York—all services—Mike Hoynes, president; Gary Bahl, vp; Eileen Lynch, acct exec.

BELL TELEPHONE LABORATORIES

Marketing Personnel

Jim McMahon, director-public info & adv
Bob Caleo, head/adv

Advertising Agency

Aitkin-Kynett, Philadelphia—William Cass, vp.

NEW ENGLAND TELEPHONE & TELEGRAPH

Marketing Personnel

B.B. Sullivan, genl adv mgr
Mike Kramer, district mgr
Geraldine O'Brien, district mgr

Advertising Agency

Cabot Advertising, Boston—all services—William H. Monaghan, exec vp-acct super; John Osborne, acct exec; Carolyn Chick, acct exec; Timothy Moroney, acct exec.

SOUTHERN NEW ENGLAND TELEPHONE CO.

Marketing Personnel

Jean M. Handley, vp
Dennis W. Evans, div staff mgr
Mary W. O'Hara, dist staff mgr

Advertising Agencies

Decker Guertin & Cheyne, Hartford, Conn.—corp adv—Susan Gardy, acct exec.

Posey, Parry & Quest, Greenwich, Conn.—SONECAR systems—James Quest, president.

Marquardt & Roche, Stamford, Conn.—network services—James Marquardt, president.

NEW JERSEY BELL TELEPHONE CO.

Marketing Personnel

F.J. Griffin, asst vp-adv
J.D. Simpson, div staff mgr-adv

Advertising Agency

Bozell & Jacobs, Union, N.J.—all services—Ronald Verba, senior vp-genl mgr.

NEW YORK TELEPHONE CO.

Marketing Personnel

E. Westfall, asst vp-adv
Ed Hardy, div staff mgr-adv

Advertising Agencies

Young & Rubicam, New York—Mort Lowenstein and Jim Martin, acct supers.

Wunderman, Ricotta & Kline, New York—mass announcement services—Adrienne Wax, acct exec.

Chapman Direct Marketing, New York—Bill Sutherland, acct super.

Conill Advertising Associates, New York—Spanish market—Rafael Conill, president.

BELL TELEPHONE CO. OF PENNSYLVANIA

Marketing Personnel

S. Line, asst vp
R.S. Hoffsis, genl pr super-adv

Advertising Agency

Lewis, Gilman & Kynett, Philadelphia—all services for Bell of Pennsylvania and Diamond State Telephone Co.—Michael Loprete, vp-mgmt supv; Joe Breen, vp; John Kaiser, exec vp-adv div; Tom Tebbens and Al Paris, acct supers.

CHESAPEAKE & POTOMAC TELEPHONE COS.

Marketing Personnel

K.W. Weihe, asst vp
Paul Truntich, district staff mgr

Advertising Agency

Ketchum Communications, Rockville, Md.—all services—William Harrington, senior vp; Tom Rich, vp; Carol Klein, vp.

SOUTH CENTRAL BELL TELEPHONE CO.

Marketing Personnel

J.R. Gray, asst vp

Advertising Agencies

Luckie & Forney, Birmingham—all services—Frank Lee, president.

Godwin Advertising, Jackson, Miss.—media services in Mississippi—John Fontaine, president.

SOUTHERN BELL TELEPHONE CO.

Marketing Personnel

M.T. Brandt, div mgr-adv

Advertising Agency

Tucker Wayne & Co., Atlanta—all services—Sidney Smith, acct super.

MICHIGAN BELL TELEPHONE CO.

Marketing Personnel

D.J. Gillard, asst vp
D.A. White, genl adv mgr

Advertising Agency

Ross Roy Inc., Detroit—all services—R.L. Simmons, acct super.

OHIO BELL TELEPHONE CO.

Marketing Personnel

Don Grace, asst vp
D.H. Parker, div mgr-adv

Advertising Agency

Marschalk Co., Cleveland—all media—John Willse, senior vp-mgmt services director.

CINCINNATI BELL

Marketing Personnel

M.J. Bates, genl mgr-pr
R.R. Brill, adv mgr

Advertising Agency

Fahlgren & Ferriss, Cincinnati—all services—John Burpee, vp.

WISCONSIN TELEPHONE CO.

Marketing Personnel

C.H. Schrank, div staff mgr-info
Carla Butenhoff, dist staff mgr

Advertising Agency

Cramer Krasselt Co., Milwaukee—all services—William Faude, acct super.

SOUTHWESTERN BELL TELEPHONE CO.

Marketing Personnel

K. Kaufman, asst vp-adv
Larry Alexander, adv mgr

Advertising Agencies

Gardner Advertising, St. Louis—Ray Ward, mgmt super.

D'Arcy-MacManus & Masius, St. Louis—Bill Mund, acct super; Stan Sundermeyer, acct super.

Stone & Adler, Chicago—Craig Campbell, acct super.

INDIANA BELL TELEPHONE CO.

Marketing Personnel

James H. Irwin, district mgr-adv

Advertising Agency

Handley & Miller, Indianapolis—all services—Mary Burgerson, acct exec.

ILLINOIS BELL TELEPHONE CO.

Marketing Personnel

R.E. Campbell, adv mgr

Advertising Agencies

N W Ayer, Chicago—all services—Gerry Coleman, senior vp.

Vince Cullers Advertising—Vince Cullers, president.

Omar Inc., Chicago—Marcelino Miyares, president.

NORTHWESTERN BELL TELEPHONE CO.

Marketing Personnel

R.G. Keim, asst vp-adv

Advertising Agencies

Bozell & Jacobs, Minneapolis—all services—Denny Sullivan, acct super.

Bozell & Jacobs, Omaha—Yellow Pages—Charles Ammons, acct super.

MOUNTAIN BELL

Marketing Personnel

G.M. Fowler, asst vp
S.C. Kanewske, adv mgr

Advertising Agencies

Tracy-Locke/BBDO, Denver—John McLagan, senior vp.

Bermudez & Associates, Los Angeles—Hispanic agency—Eduardo Bermudez, president.

PACIFIC TELEPHONE & TELEGRAPH CO.

Marketing Personnel

P.J. Harleman, asst vp

Advertising Agencies

Foote, Cone & Belding/Honig, San Francisco—all services—Craig Wiggins, genl mgr; Bill Kelley, senior vp.

Bermudez & Associates, Los Angeles—Spanish-language adv—Eduardo Bermudez, president.

Anheuser-Busch Cos.

	1982	1981
Sales	$5,185,700,000	$4,409,600,000
Earnings	274,000,000	217,400,000
Advertising	243,355,700	187,228,500

*AA estimate

Anheuser-Busch Cos., St. Louis, the nation's 22nd largest advertiser, boosted its ad spending by 30% in 1982 to $243.4 million. For the 26th consecutive year, A-B led the brewing industry and set another all-time beer selling record with the sale of 59.1 million bbls., an increase of 8% over 1981's record year of 54.5 million bbls.

A-B now outdistances No. 2 rival Miller Brewing Co., Milwaukee, by nearly 20 million bbls. Last year A-B's market share jumped to 31.9%, an increase from the previous year's 29.5%. Of the major brewers, only A-B and G. Heileman Brewing Co. experienced beer sales increases last year.

With its hold on first place even firmer, the company now has the luxury of diversifying. For the first time, A-B acquired a consumer products company when it purchased Dallas-based Campbell Taggart bakery for an estimated $570 million in cash and stock. It also expanded distribution of Eagle snack foods and formed Anheuser-Busch Wines.

Last year saw a rash of mergers within the brewing industry. Stroh Brewery Co. took over the larger Jos. Schlitz Brewing Co.; Pabst Brewing Co. linked up with Olympia Brewing Co. and Heileman obtained Pabst breweries in Texas, Georgia and Oregon. As these "new" companies increase their presence in the important Sunbelt regions, they are all pointing their competitive guns directly at A-B.

Still, A-B's Budweiser brand remains the "king of beers" with 40.7 million bbls., which keeps flagship Bud the single most important product in the A-B stable.

The St. Louis brewer has protected its consumer franchise on two fronts by marketing Bud to both older and younger beer drinkers. The company continues to build equity in its ongoing "This Bud's for you" campaign, which salutes the "working man." A-B continued to supplement the main Bud commercials by airing a string of contemporary spots that have a tinge of "new wave." Most notable is a commercial featuring blues balladeer Leon Redbone, who is seen floating in space and singing, "This Bud's for you." A-B backs Bud with $45 million.

Last year also marked the rollout of Budweiser Light, A-B's most competitive answer yet to Miller's powerhouse Lite brand. Initial fears that Bud Light would hurt the sales of regular Bud have been quelled as the light entry only minimally cannibalized the heavier brew. There is even some thinking within industry circles that Bud Light's strong showing has been a contributor to Miller High Life's decline. High Life dropped an estimated 1 million bbls. last year.

D'Arcy-MacManus & Masius, St. Louis, remains A-B's principal agency tending to Budweiser, Michelob, Michelob Light and Natural Light. Needham, Harper & Steers/USA, Chicago, handles Busch beer and Budweiser Light.

Bud Light, which went national in March, 1982, attained sales of an estimated 4 million bbls. But so far the light brew has been an expensive success. A-B spent an estimated $35 million to support its debut. Advertising has played a key role. The campaign is made of a series of commercials centering on sports competition and carrying the theme "Bring out your best."

Weekends are no longer made for superpremium Michelob, a brand which drew an estimated $27 million in ad support in 1982. The seven-year-old campaign, "Weekends were made for Michelob," and its subsequent evolution to "Put a little weekend in your week," has been replaced by a harder, more product-oriented push that highlights a beer in bottle and glass with tagline (the only spoken words): "Some things speak for themselves."

The new campaign is aimed at resuscitating Michelob, which has been stalled at the 8.5 million bbls. mark for the past three years.

Amateur sports remain the hub of Michelob Light's ad campaign. Spots showcase young men and women in hotly competitive games with superpremium Light being the ultimate award. An estimated $21 million was spent on Michelob Light's 2.5 million bbls. sold.

Natural Light continues to align itself with food in a campaign that positions A-B's first light brew as the "Beer with the taste for food." An estimated $16 million was spent to support Natural's 1.9 million bbls. sold.

Busch Bavarian is considered A-B's "ace-in-the-hole," and industry observers speculate that as the brewer adds brewing capacity Busch will become a national brand. The beer is distributed in 35 states and is being sold mostly at popular prices or discount levels in grocery stores.

One player has left the A-B roster—Wurzburger Hofbrau, an import shipped from Germany in 500 gal. stainless steel drums and bottled in A-B's Newark plant. A-B decided to use its bottling capacity there for the other brands, notably Bud Light.

First signs of A-B's disenchantment with the import came in mid-1982 when it was pulled out of some test markets on the Eastern Seaboard. The import never topped the 100,000 bbls. mark. A-B gave Wurzburger only token ad support of $101,000.

Internationally, A-B is still attempting to get a toehold. Budweiser has become the fifth-best-selling brand in Canada, where it is brewed under an agreement with Labatt Brewing Co. Michelob is also produced under this agreement. A-B is making inroads in Japan, and there is talk of a return to the U.K. where A-B withdrew from tests in 1982.

The company continues to improve and expand brewing capacity. It has opened a new plant in Baldwinsville, N.Y., and has increased the Houston plant's capacity from 5.2 million bbls. to 8.8 millions bbls. The company is exercising an option for a parcel of land in Fort Collins, Colo., for possible construction of a brewery.

The purchase of Campbell Taggart opens the door to a number of options. The bakery giant operates 70 wholesale bread and baked goods facilities, four refrigerated dough plants, three variety bread and snack food plants, two cookie and cracker plants and a refrigerated plant. It also has a number of established brand names within its bread line. Under the Merico name, Campbell Taggart is the nation's largest maker of private-label dough.

The acquisition could also provide the Eagle snack line with supermarket store delivery. Since last year, Eagle snacks have been expanding from taverns and convenience stores into larger food store chains.

At the heart of A-B's diversification efforts is the further use of its extensive beer distribution network. Such is the case with its most recent foray into wine. A-B is using its wholesalers in parts of Colorado and California to distribute Master Cellars wine, which is being produced under an agreement with Labatt Brewing, which has a winery in northern California.

Busch Entertainment Corp. reports attendance either at or above 5% in four of its five theme parks. Only Old Country theme park in Williamsburg, feeling the effects of the 1982 Knoxville World's Fair, suffered a decline in attendance, dropping 8.7% to 1.9 million.

Finally, the St. Louis Cardinal baseball team won the World Series. It had been 15 years since the team has won the Autumn Classic. Regular season attendance was a record 2.1 million customers entering the turnstyles at Busch Stadium, where A-B has the concessions.

Robert Reed

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$3,290,700	$2,484,000
Magazines	10,486,100	6,224,700
Spot tv	46,954,400	31,486,800
Network tv	95,676,500	73,612,500
Spot radio	36,801,000	34,432,200
Network radio	6,326,900	3,825,100
Outdoor	4,820,100	2,058,600
Total measured	204,355,700	154,124,300
Unmeasured	39,000,000	33,104,200
Estimated total	243,355,700	187,228,500

Marketing Personnel

Dennis Long, president
Michael Roarty, vp-beer mktg
Michael LaMonica, vp-sales
Jack MacDonough, vp-brand mgmt
Thomas Sharbaugh, group mktg mgr, Budweiser and Budweiser Light
Charles Fruit, vp-natl media
David Drew, group mktg mgr, Michelob and Michelob Light
Davis Morris, group mktg mgr, Busch and Natural Light
John Lodge, director of sales promo
William Thurman, vp-gen mgr, Busch Entertainment Corp.
Brian Smith, vp-mktg, Busch Entertainment Corp.
Barry Thigpen, director of mktg, Busch Entertainment Corp.

Advertising Agencies

D'Arcy-MacManius & Masius, St. Louis—Percy Orthwein, senior vp and mgmt super, A-B worldwide; Larry Stillman, senior vp and creative director; Tim Arnold, senior vp and mgmt super, A-B beer brands.

Needham, Harper & Steers/USA, Chicago—Ronald Bess, group mgt rep; John Greening, acct super, Bud Light; Mike Kearns, acct super, Busch Bavarian; Pat Martin, acct director, Busch Entertainment Corp.

TBWA, New York—Barrie Hedge, acct super, Eagle Snacks.

Castor Spanish International, New York—Hispanic advertising for Michelob.

Batus Inc.

	1982	1981
Sales	$5,506,698,000	$4,592,259,000
Earnings	213,955,000	179,698,000
Advertising*	235,010,200	199,301,800

*AA estimate

Batus Inc., Louisville, Ky., the nation's 24th largest advertiser, spent $235 million on advertising, up 18% from the previous year.

The U.S. subsidiary of B.A.T. Industries PLC, a London-based holding company, Batus had a relatively strong year financially in 1982. Sales of the tobacco, retail and paper holding company rose 19.9% to $5.51 billion. Net earnings also increased markedly, to $214 million, up 19.1% from 1981.

Worldwide, B.A.T. Industries had sales of $20.3 billion, an increase of 14.7%, and net profit of $901 million for a 30% increase over 1981.

The year was marked by two events of high visibility. One involved the continuing controversy over the ultra-low-tar Barclay cigarets, marketed by the company's tobacco marketing unit, Brown & Williamson Tobacco Co., Louisville. The other was the $368 million acquisition of Marshall Field & Co., the Chicago-based retailer.

Brown & Williamson's efforts to bring Barclay to market and solidify its hold tended to overshadow the financial performance of the company. In 1982, B&W recorded $2.13 billion in sales, an increase of 7.7% over $1.98 million in 1981. Operating income increased even more significantly, jumping from $252.4 million in 1981 to $365.4 million in 1982, an increase of 44.7%.

The higher figures came despite a drop in B&W's market share in the competitive tobacco marketplace, declining to 13.4% from 14.0% in 1981. The company attributed the progress in the financial figures to price increases it implemented for its cigarets, a reduction in inventory levels and manufacturing efficiencies, particularly with its new cigaret factory in Macon, Ga.

The controversy surrounding Barclay, which has a 1.2% share of the cigaret market, centered on claims over its tar levels. The brand, which B&W launched in 1981 with the largest arsenal of advertising and promotion support the industry has ever seen, has been advertised as a 1mg tar/99% tar-free smoke.

But the Federal Trade Commission, acting on its own investigations and complaints by competing tobacco marketers, began expressing concern early last year over the validity of that claim. The commission said its testing methods were, in effect, "fooled" by Barclay's unique Actron filter, a filter that is the basis for B&W's claim that Barclay has fuller flavor than other ultralow-tar cigarets. The actual level, the FTC suggested, fell somewhere between 3mg and 7mg.

After a series of charges, countercharges and more charges among B&W, the FTC and other marketers, the commission in April of this year advised B&W that it could no longer cite government testing as the basis of its claim that Barclay had but 1mg of tar.

Then, in July, the FTC asked a U.S. district court for a preliminary injunction to prohibit the claim immediately. In addition, the FTC asked the nation's six cigaret companies for advice on developing a new testing system that could more accurately reflect the tar levels of Actron filter cigarets.

Judge Gerhard Gesell, who is scheduled to hear the case this month, has indicated that he, too, has questions about the validity of the FTC testing procedure following a report in the *New England Journal of Medicine* contending that the FTC's nicotine ratings for all cigaret brands are "misleading."

For its part, B&W has vowed to continue pressing its case. It said it has cooperated fully with an investigation of Barclay advertising, and it chided the FTC for "trying to get big headlines."

Meanwhile, B&W continued to funnel considerable advertising support for the brand, albeit at lesser levels than in 1981, the first full year the cigaret was available nationally. Leading National Advertisers reported Barclay spending in the six measured media at $52 million, 56% in magazines, 28% in outdoor and the rest in newspaper supplements.

The tug-of-war over tar claims might not be limited to Barclay itself. In 1982, B&W launched Kool Lights and Kool Ultra, the latter of which uses the Actron filter.

B&W introduced these line extensions of Kool, the company's leading brand and the No. 2 menthol in the country (R.J. Reynolds Tobacco Co.'s Salem is the leader), with pumped-up advertising support. In 1982, measured media spending for the Kool brand amounted to $55.1 million, a substantial boost from the $15.1 million spent the previous year. Kool Ultra alone received $19.1 million of that amount.

Of the total support for Kool, $26.8 million went to magazines, $8.2 million to newspaper supplements and $19.4 million to outdoor.

A source of pride at B&W is the growing identification of the Kool brand with the Kool Jazz Festivals, now presented in 20 cities across the country.

Yet, despite such community presence and filled-to-the-brim advertising coffers, the brand's market share continued to decline, dropping to 7.9% from 8.4% in 1981.

Combined measured media support for B&W's three other brands, none of which is among the nation's top 10 cigarets, was about half that of Barclay's alone. Raleigh, the second-ranking brand in B&W's lineup, received $13 million, compared with $12.1 million in 1981. Spending for Viceroy increased to $4.7 million from a minimal $101,200 the previous year, and Belair, another menthol, got $11.6 million, up from $10.2 million.

As closely watched as Barclay may have been, the acquisition of Marshall Field to join Batus' retail roster drew considerable attention as well. Batus, acting as a white knight of sorts, wrested Field's away from the clutches of Carl C. Ichan, a New York financier and arbitrageur, in a mid-1982 corporate takeover battle.

Batus claimed that the addition of Field's helped soothe what might have been an otherwise painful financial year in the company's retail unit. As it was, sales in the unit increased to $2.97 billion in 1982 (making it actually bigger than Batus' tobacco operations), a hefty increase of 37.4% from $2.16 billion in 1981. Operating income jumped 27%, from $126.8 million in 1981 to $161.1 million in 1982.

Without Field's, Batus would have registered a sales decrease of 2.8% for the year; operating income would have declined as well, the company said.

Besides Marshall Field's, a name that conjures up "carriage-trade" department store images in the Midwest, the deal brought the following to Batus: J.B. Ivey & Co. department stores in the Carolinas and Florida; Frederick & Nelson department stores in Washington and Oregon; Crescent stores in Spokane, Wash., and J.B. Breuner Co. home furnishing and furniture rental stores in California, Arizona and Nevada.

Among Batus' pre-Field's holdings, Saks Fifth Ave. suffered from a year of contraction, as profits declined from the record levels of 1981. Milwaukee-based Kohl's department stores, on the other hand, saw sales grow by 30.9% in 1982 over 1981, the company said. Kohl's food stores, however, retrenched somewhat, as the company, operating at a loss during the year, closed its Illinois operations, making it an exclusively Wisconsin chain.

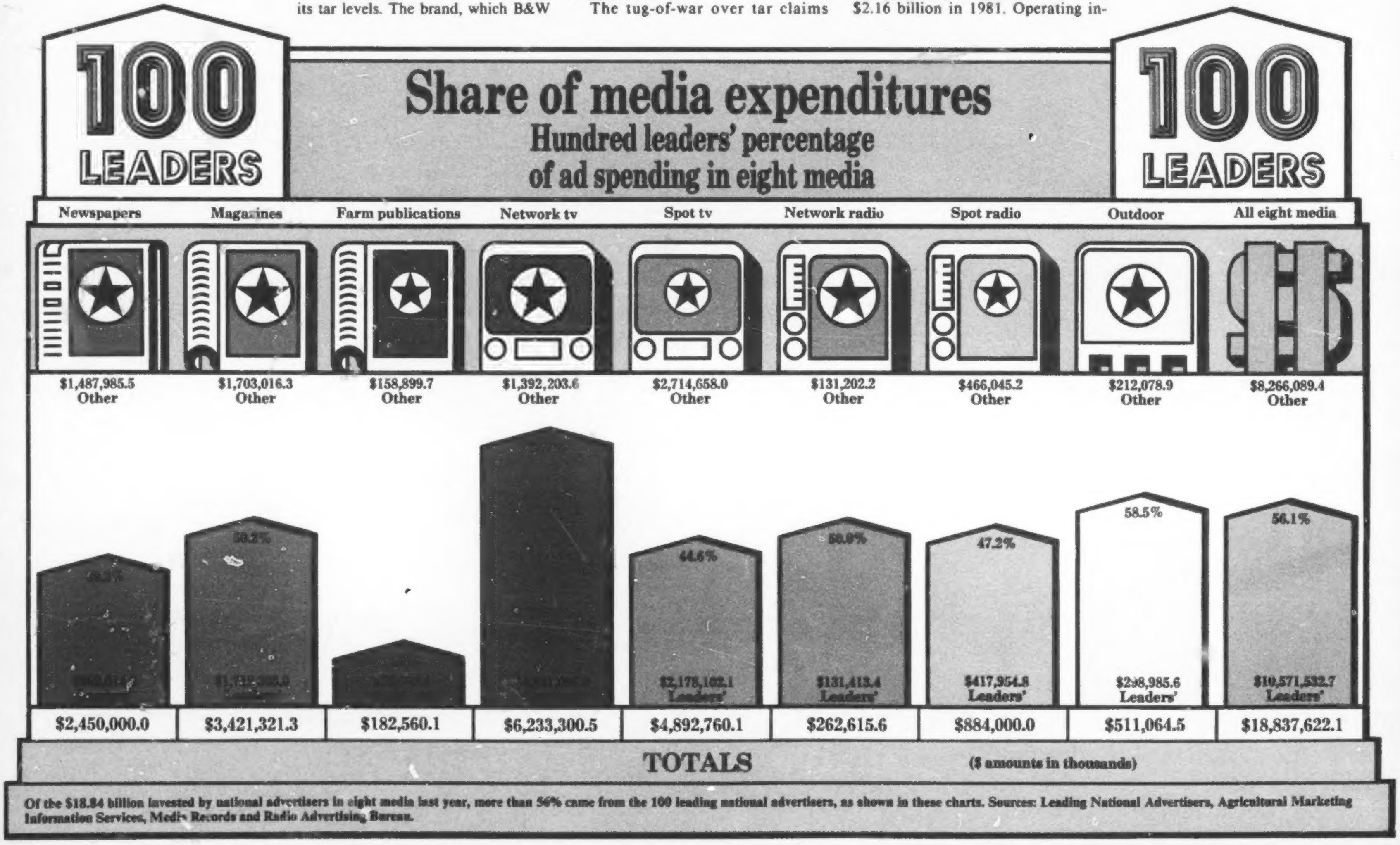
Gimbels, another member of the Batus retail family, recorded profits for the second consecutive year, the company said. This followed a period of decline and a program to renovate and improve the efficiency of the stores, located in New York, Philadelphia, Pittsburgh and Milwaukee.

The last Batus retail unit, Thimbles, a small chain of specialty clothing stores aimed at the career woman, continued to be in a stage of development.

Measured media spending for the retail units combined totaled $16.4 million in 1982, including $4.6 million for Gimbels, $2.9 million for Saks and $2.7 million for Field's.

Also in the Batus group of companies is Appleton Papers, which had revenues of $412 million in 1982, a 2.1% increase over 1981. Operating income rose a hefty 73.1% over that period, reaching $64 million.

One brand of consumer product not part of the Batus family, but in the B.A.T. Industries fold, is Germaine Monteil cosmetics. Its advertising fig-



Of the $18.84 billion invested by national advertisers in eight media last year, more than 56% came from the 100 leading national advertisers, as shown in these charts. Sources: Leading National Advertisers, Agricultural Marketing Information Services, Media Records and Radio Advertising Bureau.

100

ures, limited in scale when compared with those of Batus' operations, are included in this report.

Mark Watanabe

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$42,893,600	$45,909,600
Magazines	73,461,500	61,167,800
Spot tv	15,905,400	7,722,800
Spot radio	218,100	13,600
Outdoor	42,537,100	27,793,200
Total measured	175,015,700	142,607,000
Unmeasured	59,994,500	56,694,800
Total	235,010,200	199,301,800

BATUS TOBACCO DIVISION
BROWN & WILLIAMSON TOBACCO CO.
Louisville, Ky.
Marketing Personnel

S.A. Wallace, senior vp-corp mktg
R.A. Blott, senior vp-domestic mktg
T.E. Sandefur Jr., senior vp-intl mktg
N.V. Domantay, vp-brand mgmt
G.T. Reid, group prod director-Kool, Belair, Raleigh
D.I. Falk, group prod director-Barclay, Viceroy, specialty tobacco prods
L.R. Lewis, group prod director-new prods
A.J. Mellman, group prod director-new prods
M. Schreiber, senior brand mgr-Kool
A.G. Forsythe, brand mgr-Viceroy
G.P. Ward, brand mgr-Belair, Raleigh
P.S. Wessel, brand mgr-new prods
S.M. Finley, brand mgr-new prods
J.S. Griffith, brand mgr-specialty tobacco prods
J.M. Coleman, media services mgr
R.A. Veatch, brand promo mgr
T.J. Mooring, financial admin mgr
B.L. Broeker, prod publicity mgr
M.W. Steele, special mkts mgr

Advertising Agencies

Cunningham & Walsh, Chicago—Kool, Raleigh, Belair—M. Mayers, senior vp-mgmt super (domestic); R. Parker, senior vp-mgmt super (intl); R. Vail, senior vp-mgmt super, Kool; E. Hannum, vp-group super, Raleigh, Belair.

Ogilvy & Mather, New York—Barclay—C. Newbrand, senior vp-mgmt super; A. Sunderland, acct exec; W. Gray, acct super.

McKinney, Silver & Rockett, Raleigh, N.C.—noncigaret prods—L. Jacobs, exec acct mgr; T. Horner, acct exec; F. Schmidt, acct super.

Grey Advertising, New York—Viceroy—R. Schoenfein, exec vp-mgmt rep; S. Damners, vp-acct mgmt; P. Hendricks, vp-acct super; M. Garcia, acct exec.

BATUS RETAIL DIVISION
Marketing Personnel

Robert Gottlieb, senior vp-mktg, Gimbels-East
Patricia Stuart, senior vp-sales promo, Gimbels-Pittsburgh
Roy Boutillier, senior vp-mktg, Gimbels-Midwest
Harry Segal, vp-mktg, Kohl's food stores
Curtis Natvig, vp-sales promo, Kohl's department stores
Jay Baker, president, Thimbles
George Love, senior vp-sales promo, Marshall Field
Gary Feider, vp-sales promo, Frederick & Nelson
Bartley Durant, president, Crescent
Gerald Ferree, vp-sales promo, Breuners
Kirby Smith, senior vp-sales promo, Ivey's-Carolinas
Mason Allen, senior vp-merch, Ivey's-Florida
Paul LeBlang, senior vp-mktg, Saks Fifth Avenue
William Berta, vp-sales promo, Saks Fifth Avenue

BATUS PAPER DIVISION
APPLETON PAPERS
Marketing Personnel

J.W. Turner, vp-mktg
D.W. McIntosh, director of mktg
R.P. Sherrer, director of sales
S.W. Garratt, director of intl mktg

Beatrice Foods Co.

	1982*	1981*
Sales	$9,188,200,000	$9,623,520,000
Earnings	43,200,000	390,136,000
Advertising	271,000,000**	200,000,000**

*Fiscal year ends Feb. 28
**Totals supplied by Beatrice; 1981 restated

In the midst of a prolonged period of transition from decentralized giant to a leaner, more organized and more marketing-oriented conglomerate, this may be a watershed year for Chicago-based Beatrice Foods Co.

Even before the most recent corporate overhaul was announced in June, Beatrice was heading toward a far more aggressive marketing stance, reflected in a 35.5% jump in total marketing and advertising expenditures to $270 million in the fiscal year ended February 28, which made Beatrice the nation's 16th largest advertiser. Measured advertising totaled about $40.2 million.

Beatrice said much of the increased ad spending flowed from the company's beverage unit, which was greatly expanded in January, 1982, with the $580 million cash acquisition of Coca-Cola Bottling Co. of Los Angeles, which has operations in Southern California, Hawaii, Las Vegas and Columbus, O.

Beatrice also increased its ad budget by 50% to $20 million for its Tropicana Products orange juice subsidiary, which reportedly helped it maintain a 30% market share.

But the brand attracting the largest single share of Beatrice's measured advertising was Cutty Sark scotch—more than $7.6 million, mostly for magazines, according to Leading National Advertisers.

Cutty Sark is one of several liquor and wine brands distributed by Buckingham Corp., which was acquired from Northwest Industries along with the Los Angeles Coca-Cola franchise. The company said Cutty held on to its share position in a declining scotch market. Because of last year's acquisitions, the beverage group was the only Beatrice division to show significant growth in fiscal 1983, with revenues up 56% to nearly $1.1 billion while operating earnings advanced 67% to $111 million.

Companywide, revenues reached nearly $9.2 billion in the year ended Feb. 28, 1983, a gain of only 1.8%. Net earnings, meanwhile, plunged to $43 million from $390 million in the previous year, as Beatrice took a number of special charges in February, including a $188 million after-tax writedown of goodwill associated with the 1978 acquisition of Tropicana, which has been plagued by crop shortages that hurt its performance and left its intangible assets overstated.

Beatrice's earnings were also reduced by a $30 million program ($15 million after taxes) to encourage voluntary early retirement of about 800 employes—roughly 1% of its worldwide workforce—and a $75 million after-tax divestiture reserve for Beatrice's newly announced plan to shed some 50 domestic and international companies over the next two years, which together had $872 million in sales and $36 million in pretax operating earnings in fiscal 1983.

Before the special one-time charges, Beatrice's profits reached $320.8 million last year compared with $313.2 million in fiscal 1982, before one-time gains that year from accounting changes and the profitable sale of the Dannon Co. yogurt business.

The highly decentralized company also established a corporate marketing department for the first time, headed by Harold J. Handley, formerly marketing director of Kraft's retail foods group. And in June the company announced the reorganization of its businesses into six marketing divisions—one more than before—including refrigerated foods/distribution services, beverages, grocery, consumer and commercial products, specialty chemical and international food.

The divestitures and reorganization will reduce the number of Beatrice profit centers to between 50 and 100, compared with about 400 before the recently announced divestiture program. And that comes on top of about 60 companies with about $1 billion in sales that have been sold since chairman James L. Dutt took over the helm in 1979.

The upshot is that Beatrice—which grew enormously through acquisitions from its start as a regional dairy nearly 90 years ago—is striving to replace its commodity-oriented, price-and-production mentality with a much greater emphasis on marketing higher-margin, brand-name consumer products.

A major implication of the shift to the increased marketing emphasis is that most future growth will be generated internally, rather than by spending money on acquisitions.

The renamed dairy and agriproducts group was Beatrice's second largest segment although revenues were down

KNOW THY COMPETITION

See page 117

LNA

THE AVERAGE ANNUAL FAMILY INCOME OF DIARIO LAS AMERICAS READERS IS $27,342.

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6% to $2 billion and earnings were off 7% to $123 million. the second consecutive year of decline in the division's sales and profits.

The unit introduced two new Swiss Miss products to expand that hot cocoa and pudding line. Frozen pudding bars, supported last year by $702,900 in measured advertising, are now going national, and a sugar-free hot cocoa drink sweetened with aspartame, a sugar substitute, received $385,900 in measured ad spending in test markets.

In the beverages group, Tropicana eked out 2% gains in both sales and earnings, reaching about $429 million and $42.2 million, respectively. With the 50% boost in advertising and introduction of several new products, Beatrice said that "fiscal 1983 can be viewed as a year of investment in the marketplace for Tropicana."

New juice products included Chugger, an all-natural, shelf-stable, pure juice product, and the unit also introduced frozen juice bars on a stick and a line of nonalcoholic drink mixes. Tropicana's measured advertising totaled nearly $6.8 million for its various products, mostly in magazines and spot tv.

A big cloud over Tropicana's future with Beatrice dissipated in June when the Federal Trade Commission unanimously overruled an administrative law judge's decision in 1980 that the acquisition violated antitrust laws. If the decision had been upheld, Beatrice would have been required to divest not only the orange juice business it acquired for $490 million, but also profits realized since the 1978 acquisition.

The company plans continued emphasis on selling juice made from frozen concentrate to protect it from the supply problems of crop freezes it suffered in the past few years.

In the profitable wine and spirits segment, which accounts for 9% of sales and 16% of beverage group earnings, the national introduction of Waterford Irish cream liqueur continued, supported by about $1.1 million in measured advertising. Beatrice said its Mouton-Cadet wine business increased its leading share of the branded premium Bordeaux table wine market, and Finlandia vodka remained the second-largest imported vodka with measured advertising of about $1.1 million.

In the grocery group, Beatrice's largest segment, sales were flat at $2.3 billion while earnings increased 9% to $177 million. Its La Choy oriental foods business maintained its leading market share position, Beatrice said. Measured advertising for La Choy totaled about $2.8 million.

In specialty meats, various Eckrich meat products—including 13 new ones—saw a slight decrease in unit sales that matched the industry trend, Beatrice said. Eckrich hot dogs, sausage and other meat products received about $3.4 million in measured ad spending last year.

In the international foods arena, Beatrice reported earnings gains in Europe and Canada, which are its main overseas markets, and poorer results in Latin America, Asia and Australia. The company finally broke ground in March, 1983, on a joint-venture production plant in the People's Republic of China after about three years of negotiations.

Earnings rose sharply despite depressed sales for the Samsonite luggage business, aided by improved sales in the latter half of the year resulting from a doubling of advertising expenditures and new, soft-sided luggage products, Beatrice said. Measured ad spending on Samsonite was more than $4.2 million, including about $2 million for network tv, by far Beatrice's largest single commitment to that medium last year.

Although the industrial segment generally showed poorer results, sales and earnings for Culligan International improved as sales gains for residential drinking water systems offset a decline in residential water softener sales. The water softener business was supported by $1.3 million in measured ad spending.

Paul Merrion

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$580,700	$5,736,800
Magazines	12,386,200	12,380,300
Spot tv	20,741,200	15,833,000
Network tv	3,366,600	4,473,000
Spot radio	—	4,752,400
Network radio	457,800	223,100
Outdoor	2,652,900	2,149,100
Total measured	40,185,400	45,546,900
Unmeasured	230,814,600	153,413,000
Estimated total	271,000,000	200,000,000

BEATRICE (CORPORATE)

Marketing Personnel

Harold J. Handley, vp-director-corp mktg
Barbara M. Knuckles, vp-director-corp mktg rsch
Rose Ann Anschuetz, director-new prod mktg

Refrigerated Food/Distribution Services Group

Richard L. Chisholm, senior vp and coo

Beverages Group

Thomas P. Kemp, senior vp and coo

Grocery Group

John J. McRobbie, senior vp-coo

Consumer/Commercial Group

Nolan D. Archibald, senior vp and coo
Malcolm Candlish, vp-mktg

International Food Group

Anthony Luiso, senior vp and coo

Specialty Chemical Group

Harry Wechsler, senior vp and coo

Advertising Agencies

N W Ayer, Chicago—Beatrice Confections—J. Clark, acct exec; B. Forrest, acct super; J. Holt, acct super.

Benton & Bowles, New York—Peter Eckrich & Sons—D. Trigg, acct exec; T. Burnett, acct director; B. Vitriol, acct super; J. Spencer, mgmt super.

Bozell & Jacobs, Minneapolis—Sanna, Swiss Miss—S. Steffen, acct exec; D. Nickel, acct super; S. Chase, mgmt super.

Campbell-Mithun, Minneapolis—Fisher Nut Co.—B. Sutherland, exec vp; T. Wilson, acct exec; H. Liszt, mgmt super; J. Hovanec, mgmt super.

Cunningham & Walsh, Chicago—La Choy food prods—A. Bloomfield, senior vp-mgmt super; S. Kucaba, vp-acct super.

Eric Ericson & Associates, Nashville—Martha White—Mike Michaud, vp-acct super; Mark Kooyman, acct exec.

Michael Fried & Associates, Chicago—Meadow Gold—M. Fried, president; D. Mergen, exec vp-director of client services; S. London, acct exec.

Hackenberg, Norman, Krivkovich/CK, Chicago—Culligan International—R. Norman, exec vp-acct super; A. Barnes, acct exec.

MCA Advertising, New York—Tropicana prods—B. Bishop, exec vp; T. Atkinson, vp-acct mgr.

Stone & Simons, Southfield, Mich.—Shedd's food prods—C. Stone, president; H. Dembs, acct exec.

J. Walter Thompson USA, New York—Samsonite luggage—G. Hallberg, senior vp-group acct dir; R. Hendee, vp-mgmt super; G. Carlisle, acct rep.

Mandabach & Simms, Chicago—Bloomfield Industries Inc., foodservice equipment and supplies—Irwin Simms, senior acct super; Lee Lippman, acct super.

Beecham Group Ltd.

	1982	1981
Sales	$2,519,600,000	$2,504,500,000*
Earnings	350,900,000	359,400,000*
Advertising**	120,700,000	100,000,000

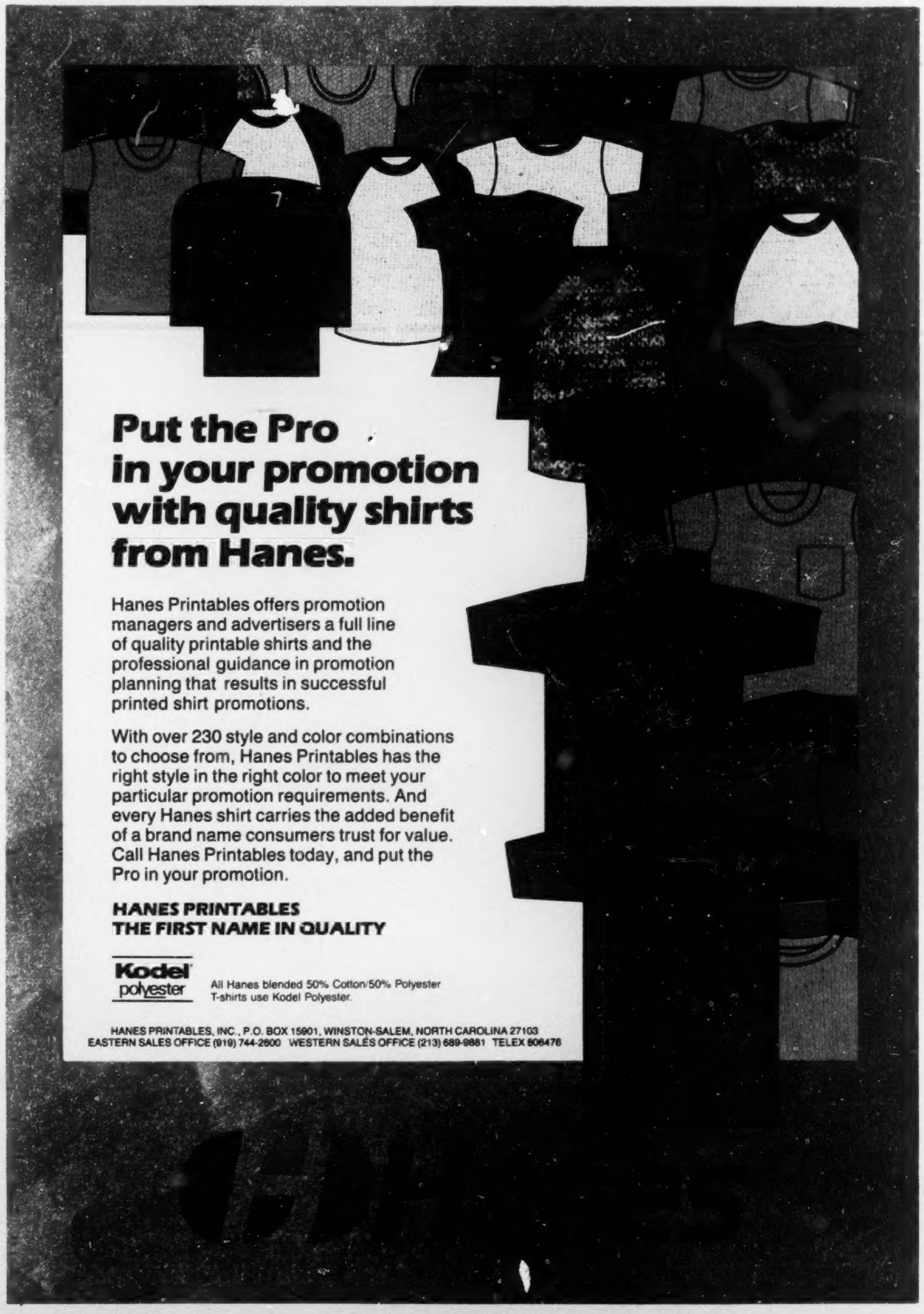
*Restated worldwide results
**AA estimate

Beecham Group Ltd., a British chemical and consumer product company and the 53rd largest national advertiser, spent an estimated $120.7 million in domestic advertising in 1982, a 21% increase from the previous year's $100 million.

Worldwide sales (in British pounds) increased 21% in 1982, while pretax earnings increased 17.4%. However, translated into U.S. dollars, the weakness in the pound for the year left Beecham with a negligible 0.6% increase in sales and decline of 2.2% in earnings.

Beecham's three divisions in the U.S. are Beecham Products in Pittsburgh, Chicago-based Beecham Cosmetics and Beecham Laboratories in Bristol, Tenn.

Acquisitions and agency changes played key roles in Beecham operations last year. With the purchase of J.B. Williams Co. from Nabisco Brands last September, for $100 million, came such strong performers as Geritol, a vitamin preparation; Sominex, the sleep aid, and Aqua Velva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aftershave. In addition, Beecham purchased Schering-Plough's Dap Inc. unit for $70 million. Dap, which makes specialty paints, caulking and related home products, had sales of $90 million in 1982.

The two purchases bring Beecham's sales in the U.S. to an annual $500 million.

And, in mid-July, Beecham Cosmetics purchased Diane von Furstenberg cosmetics and fragrance business. Ms. von Furstenberg's business started in 1975 and achieved U.S. sales of more than $20 million in 1982, largely through a range of fine fragrances and bath products sold under the Tatiana brand name and color cosmetics under the Diane von Furstenberg Color Authority. The purchase price has not been disclosed.

Beecham Cosmetics, the parent company of Jovan Inc. and three other fragrance and cosmetic manufacturing operating divisions, went through some ad agency changes this year. It split its $5 million account between two agencies; Chicago-based Zwiren & Wagner is now responsible for the Jovan fragrances and related products, while Cunningham & Walsh, Chicago, handles Vitabath, Lancaster Cosmetics and Hermark (Hermes fragrances). The previous agency was J. Walter Thompson USA.

In May, New York based-Avrett, Free & Ginsberg took over Brylcreem, Lectric Shave and other Beecham products. Since the J.B. Williams Co. purchase, measured ad spending has decreased for some of the newly acquired products. Ad expenditures for Geritol tablets went from $9 million in 1981 to $7.2 million, a 20.8% drop. Sominex experienced a 54% drop, going from $2.7 million to $1.24 million. Ad spending for Aqua Velva aftershave, however, increased 59.8%, from $2 million to $3.28 million in 1982.

Ad expenditures for other Beecham products decreased as well. Spending for Cling Free fabric softener decreased 35%, going from $7.3 million to $4.7 million in 1982.

Massengill disposable douche decreased measured spending support almost 28%, from $7.5 million to $5.4 million in 1982.

Nevertheless, ad spending increased significantly in other areas. Last September, the company spent $6.2 million in a national rollout of N'ice sugarless cough lozenges.

Spending for Sucrets lozenges rose 21.6% to $4.2 million, while measured media support for children's lozenges fell from $1.4 million to $5,300 in 1982. Beecham's new three-stripe version of Aqua-fresh toothpaste continued to maintain its 13.5% market share. The brand, which is third to Procter & Gamble's (No. 1) Crest and Colgate-Palmolive's Colgate, spent $27.3 million this year, a 28% increase over 1981.

In the Jovan division, Dial-A-Tan, the company's entry into suntan products it launched a year ago, got increased expenditures, from $61,400 to $1.3 million.

Glacier, a men's aftershave, and Island Gardenia, a gardenia-based perfume and cologne, which have been on the market a year, received $318,700 and $168,100, respectively, all in magazines.

In February, Jovan introduced Gambler, a men's cologne, and Lady, a perfume—each taken from a song made popular by singer Kenny Rogers. The company signed a "high six-figure" deal to sponsor the singer for a 100-city concert tour.

Late this summer, the Vitabath division will launch a group of Zizanie de Fragonard products, a men's fragrance, for which it acquired the worldwide marketing rights.

Kristin Blom

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$54,000	$108,800
Magazines	7,783,900	5,365,400
Farm publications	599,500	740,300
Spot tv	5,203,900	5,175,100
Network tv	66,725,100	54,912,900
Spot radio	100,200	98,300
Total measured	80,466,600	66,400,800
Unmeasured	40,233,400	33,600,000
Estimated total	120,700,000	100,000,800

BEECHAM PRODUCTS DIVISION

Marketing Personnel

R.A. Snell, vp-mktg
M.L. Kelley, vp-mktg
R.F. Creighton, vp-mktg services
R.M. Lancaster, vp-sales

BEECHAM COSMETICS USA

R.E. Meyer, president and ceo
B.E. Shipp, exec vp
M.C. Berk, director-comm & adv

JOVAN INC.

J. Forkish, senior vp-gen mgr
B. Cowgil, vp-mktg
N. Rocklin, vp-sales

DIANE VON FURSTENBERG COSMETICS

G. Savage, coo
S. Nisenholz, vp-sales

LANCASTER COSMETICS/-PARFUMS HERMES

A. Kessler, vp-genl mgr
S. Swerdloff, vp-sales

VITABATH/ZIZANIE

D. Deegan, vp-genl mgr
M. Dietz, natl sales mgr
W. Gould, natl field sales mgr

OMNI COSMETICS/-YARDLEY OF LONDON

J. Small, vp-genl mgr
J. Southern, vp-sales

INTERNATIONAL

J .Chen, vp-admin
R. Heckman, vp-mktg

BEECHAM LABORATORIES DIVISION

M.M. Jones, president
T.G. Wood, vp-sales and mktg
G. Cowell, veterinarian sales and mktg mgr
T. Harrison, mktg mgr
W.F. De Vinney, natl sales mgr

Advertising Agencies

Bozell & Jacobs, Minneapolis—Yardley of London, "Star Wars" products—Elizabeth McMahon, vp-account super; Shirley Steffen, acct exec.

Frank J. Corbett Inc., Chicago—ethical pharmaceuticals—Don Courtney, senior vp; John Kopacz acct exec.

Grey Advertising, New York—Ace combs, Aqua-fresh, Aqua Velva aftershave, Calgon bath products, Geritol, Massengill, Sucrets, Vivarin, new prod.

Cunningham & Walsh, New York—Calgon water softener, Cling Free, Calgonite, Fruit-Fresh, N'Ice, Sominex, new prod.

Avrett, Free & Ginsberg, New York—Brylcreem, Lectric Shave, new prods.

Charles Tombras & Associates, Knoxville—veterinary pharmaceuticals—Guy Seymour, acct exec.

Zwiren & Wagner, Chicago—Jovan cosmetics and perfumes—Jim Hickey, acct rep; Mary Koelle acct super.

Cunningham & Walsh, Chicago—Vitabath, Zizanie men's fragrances, Lancaster Cosmetics, Hermes fragrances—Eve Hannum, acct super.

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KNOW THY COMPETITION

See page 117

LNA

Bristol-Myers Co.

	1982	1981
Sales	$3,599,900,000	$3,496,700,000
Earnings	348,700,000	305,800,000
Advertising*	205,000,000	198,739,000

*AA estimate

Bristol-Myers Co., New York, the 30th largest national advertiser, is estimated to have spent $205 million on domestic advertising in 1982, a modest 3% gain over its 1981 ad spending.

The company's reported worldwide advertising and product promotion expenses of $567.1 million in 1982 represents a $12 million increase over the amount spent the previous year.

Total measured ad spending amounted to $153 million in 1982, including $105.7 million on network tv, $25.2 million in magazines and $12.6 million on spot tv. Tv Bureau of Advertising figures, meanwhile, show $127 million in over-the-air tv spending. The company had sales of $3.60 billion in 1982, a 3% increase over 1981. Net earnings rose 14% to $348.7 million, following increases of 13% and 17% in 1981 and 1980, respectively.

For the first half of 1983, worldwide sales were $1.93 billion, up from 1982's opening six months sales of $1.76 billion.

Through its divisions and subsidiaries, Bristol-Myers markets more than 1,000 products in 100 countries. Its products are grouped into four industry segments: Pharmaceutical and medical products, toiletries and beauty aids, nonprescription health products and household products. All industry segments posted sales gains in 1982, with the exception of toiletries and beauty aids, which registered a slight decline.

The pharmaceutical and medical products segment is Bristol-Myers' largest and most profitable segment and was the performance pacesetter in 1982, with $1.36 billion in sales (amounting to 38% of Bristol-Myers' total 1982 sales) and a 19% operating profit gain.

Antibiotics, cardiovascular drugs and anticancer drugs (whose sales increased 22%) are the major product categories, with antibiotics constituting half of the segment's sales. Research in these product areas, currently parcelled out among various facilities around the nation, will be centralized in 1985 when construction of Bristol-Myers' $45 million pharmaceutical research center in the New Haven, Conn., is completed.

The company's second-largest segment is the toiletries and beauty products group, in which sales amounted to $963.2 million in 1982. It was a slight decline, and a drop in antiperspirant sales was one of the culprits. Offsetting that decline was the 13% sales increase registered by the segment's largest product group—haircoloring products. Sales of beauty appliances were also on the upswing.

Nonprescription health product sales increased to $920.7 million in 1982, with sales for the nutritional products group amounting to almost $600 million, an 11% gain over 1981. Bristol-Myers' household products segment, meanwhile, rose to $355.7 million.

In the $1-billion-a-year analgesic market, its aspirin-based entries—Bufferin and Excedrin—account for a 20% market share, making Bristol-Myers the largest marketer of aspirin-based analgesics.

Bufferin and Excedrin scored big sales gains last year in the wake of the Tylenol poisonings. When sales plummeted for market leader Tylenol, marketed by rival Johnson & Johnson Co., sales of Bufferin and Excedrin skyrocketed. So did sales of Bristol-Myers' somewhat forgotten (until the Tylenol scare, that is) nonaspirin-based analgesic product entry, Datril. In fact, it was a product resurrection, and an ironic one at that.

Datril was introduced in 1975 with great fanfare in a head-to-head battle with Tylenol. When Tylenol won the war, Bristol-Myers kept Datril in its product lineup but withdrew ad support. But following the Tylenol poisonings, Datril got its first big ad push in four years. Measured media figures show that $2.2 million was spent on the product in the closing months of 1982, and the advertising restart has continued. Current tv spots tout Datril as having "exactly the same relief as Tylenol" and asks, "So, why pay more?"

Last month, the company announced that sales of Extra-Strength Datril had more than doubled since March, when it introduced its current ad campaign, and that it planned to maintain that momentum with the massive coupon redemption program launched in late August in which it placed in daily newspapers more than 43 million coupons worth $1.50 each towards the purchase of the nonaspirin product.

Measured media spending for Bufferin and Excedrin, meanwhile, totaled about $26.5 million last year, up slightly from 1981. Bufferin, now also available in capsules, got $14 million of that total, while Excedrin got $12.5 million.

In the aftermath of the Tylenol scare, Bristol-Myers began using plastic-lid cannisters with metal pull-tabs to meet the Food & Drug Administration's newly established guidelines. It is a more expensive solution (adding about five cents per package to production costs) than the packaging its competitors use, but company executives expect their cannister-packaged Bufferin, Excedrin and Datril lineup will register as safer than the competition's.

Among Bristol-Myers antiperspirant products, Ban Roll-On, the leader in the roll-on category, received $7.3 million in measured ad support last year, down about $1 million from the previous year. Tickle Roll-On received $1.5 million.

Measured spending for the Comtrex multisymptom cold remedy line was

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Cleveland
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Clearwater
Sarasota/Bradenton
Ft.Myers
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$17 million in 1982, about the same as it was in 1981, as ad spending for that line, which made its debut in 1978, seems to have leveled off following big boosts each year since its introduction. Meanwhile, a new multisymptom cough formula, Quadrin, bowed with a multimedia test campaign in Omaha in late 1982.

In the hair coloring and haircare markets, where Clairol is the dominant market presence, with its product sales accounting for 60% of the total market, sales registered strong gains. So did ad spending, with the Clairol tv budget getting a 20% increase. The company said it put $100 million into ads and promotion for Clairol last year.

Clairol's most heavily advertised hair-coloring products last year were Nice 'n Easy ($8.2 million in measured media support), Loving Care ($7 million), Miss Clairol ($5.5 million), and Clairesse ($2.4 million). Clairol Conditioner products, meanwhile, received $4.6 million in measured support, Clairol Kindness home permanents got $5 million and Final Net hairspray received $8.6 million.

The lion's share of Clairol's ad dollars goes to tv, with magazines the next preferred media. The ad strategy for Clairol Summer Blonde Lightener and Born Blonde Lightener, however, departed from that. Total measured media spending for the two products was $2.2 million and included $1.25 million in network radio time.

On the new product front, the Clairol lineup was expanded last year with the addition of the Clairol Color Renewal System, aimed at first-time haircolor users. The new entry was heralded with an aggressive $11 million introductory push, with ads likening haircare to skincare. Clairol executives see the new entry as a "bridge product" that beginners will use and then become more serious users of Clairol's other hair-coloring products.

At the Clairol Appliances division, the ad budget included nearly $2 million in measured media support for Clairol Kindness instant hairsetters, while the Foot Fixer Massager received $1 million.

Bristol-Myers markets its household product line through the Drackett division. Windex received $4.2 million in measured media spending last year. Drano liquid received $1.3 million, compared with $3.1 million the previous year, and Drano powder got $3.1 million, versus the previous year's $1.6 million, thereby equalizing spending for the two companion products over the two-year span. Endust furniture cleaner received $3 million in measured support, and Vanish toilet bowl cleaner got $2 million.

A believer in self-produced programing, Bristol-Myers was one of the first major advertisers to get involved in syndicated tv and uses it for network and spot tv supplement ads supporting its major brands. It produces the "Glenn Campbell Show" for syndication, and while new episodes of its long-running "In Search Of" series are no longer being produced, the show is a popular syndication offering.

The company has also been getting increasingly involved in cable tv as a supplementary ad vehicle and as an experimental forum where it can test commercial lengths and patterns. The company self-produces and is sole sponsor (a 10-year, $40 million deal) of the "Alive and Well" health, beauty and life style show on USA Cable. The show supports the Clairol lineup of products. Last year, an "Alive and Well" magazine was started as a companion to the show.

Cable tv ad figures put Bristol-Myers seventh among all cable advertisers, with about $4 million in measured spending in 1982.

Internationally, Bristol-Myers markets its pharmaceutical. nutritional and consumer products through its Bristol-Myers international division. The major consumer products markets are Europe, Latin America, Australia and Asia, and most of its consumer business is concentrated in haircoloring, haircare and antiperspirant products. The leading overseas brands are Miss Clairol, Nice 'n Easy and MUM deodorant. Multisymptom cold remedies, similar to Comtrex, have also been launched.

Tom Donlon

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$2,045,500	$1,489,100
Magazines	25,244,000	23,646,500
Farm publications	190,300	—
Spot tv	12,609,900	11,636,300
Network tv	105,717,000	109,983,900
Spot radio	5,436,400	4,397,000
Network radio	1,600,100	—
Outdoor	125,400	221,000
Total measured	152,968,600	151,504,700
Unmeasured	52,031,400	47,234,300
Estimated total	205,000,000	198,739,000

CORPORATE

Marketing Personnel

Marvin Koslow, vp-mktg services
Harry Levine, vp-corp communications
Peter J. Spengler, vp-adv services

BRISTOL-MYERS PRODUCTS DIVISION

Marketing Personnel

Poley H. Disney, president
Charles E. LaRosa, senior vp-mktg/sales

Advertising Agencies

Grey Advertising, New York—4-Way nasal spray, Congespirin cold tablets, liquid and cough syrup for children—Art Rosen, senior vp; John Grace, vp.

Laurence, Charles & Free, New York—Ban line, Ultra Ban line, Comtrex, Ammens, Bufferin, Arthritis Strength Bufferin—Martin Smith, exec vp; Bonnie Piven, senior vp; Al Magnane, acct super; Al Evans, senior vp.

Doyle Dane Bernbach, New York—Tickle—John Leonard, group senior vp; Rein Luik, senior vp-mgmt super.

Kenyon & Eckhardt, New York—Excedrin, Excedrin PM—John Horne, senior vp-mgmt rep; James Heekin, vp-mgmt super.

Polykoff Advertising, New York—Body On Tap—Shirley Polykoff, president.

Lois, Pitts, Gershon, New York—Vitalis line—Patrick Dolan, vp-mgmt super; George Lois, chairman-creative director.

CLAIROL PRODUCTS DIVISION

Marketing Personnel

John W. Melton, president
Robert Phillips, exec vp-consumer prods div
G. Max Oakes, vp-mktg
Robert Oppenheim, chairman, professional prods div
Michael E. DeGennaro, president, professional prods div

Advertising Agencies

Doyle Dane Bernbach, New York—Final Net, Nice 'N Easy, Sea Breeze, Small Miracle, Happiness, Power Pal—Milt Harkrader, senior vp-mgmt super; Dean Proctor, vp-director sales merch.

Foote, Cone & Belding, New York—Born Beautiful, Frost & Tip, Herbal Essence, Loving Care, Miss Clairol, Silk & Silver, I Like My Gray—Alan Klein, senior vp-group mgmt super; Joe Froschi, vp-mgmt super; Danny Khosravani, acct super.

Kenyon & Eckhardt, New York—Condition*, Condition* shampoo, Condition* II—Jim Heekin, vp-mgmt super; Tom Lentz, acct super; Lana McCalley, acct exec.

Wyse Advertising, New York—Clairesse—Lois Wyse, president; Gary Bower, vp-acct super; Robert Grossman, acct exec.

CLAIROL APPLIANCE DIVISION

Marketing Personnel

C. Benjamin Brooks, president
Thomas C. Comella, senior vp-sales
Wilford A. Smith, vp-prod mgmt

Advertising Agencies

Foote, Cone & Belding, New York—Footcare, hairdryers, hairsetters, curling irons/brushes, Skinvention, div adv—Jeffrey Fine, group mgmt super; Charles Evans mgmt super; Marilyn Fidler, acct super; Linda Lustig, acct exec.

Calet, Hirsch, Kurnit & Spector, New York—Kindness Quartz Dryer, SST electronic hairdryer—Colin Probert, senior vp-mgmt super; John Stranger, acct super; Jill Wasack, acct exec.

BRISTOL LABORATORIES

Marketing Personnel

Julius L. Pericola, president
Gary P. Gibson, vp-mktg
Marvin C. Lemons, vp-sales

Advertising Agency

Sieber & McIntyre, Chicago—Tegopen, Salutensin, Stadol, Prostaphlin, Blenoxane, Mexate, Mutamycin, Platinol, CPE div—Fred Fitzsimmons, Steve Freeman, mgmt supers; Mike Swidler, Terry Lee, Donna Small, acct supers; Linda Basnik, Tam Deplewski, acct coordinators.

WESTWOOD PHARMACEUTICALS

Marketing Personnel

Wilfred J. Larson, president
Jeffrey B. Marsch, vp-mktg
Jon W. McGarity, vp-sales

Advertising Agency

Frank J. Corbett Inc., Chicago—Alpha Keri, Desquam-X, Eurax, Fostex, Sebulex, Keri lotion, Staticin, PreSun, Westcort, pharmaceuticals to physicians—John Burns, acct super.

PELTON & CRANE

Marketing Personnel

Kenneth R. Ferguson Jr., president
Randall J. Wall, exec vp

UNITEK CORPORATION

Marketing Personnel

John E. Chester, president
Wayne W. Whitehill, senior vp

ZIMMER USA

Marketing Personnel

Thomas H. Hughes, president
Roandl L. Davis, exec vp

BRISTOL-MYERS CO. INTERNATIONAL DIVISION

Marketing Personnel

Joseph E. Maroun, president

DRACKETT

Marketing Personnel

Nicholas M. Evans, president
W.F. Flatley, senior vp-sales/mktg

Advertising Agencies

Daniel & Charles, New York—Mr. Muscle, Endust, Nutrament Line, new prods—Martin Smith, Al Evans, mgmt supers.

Grey Advertising, New York—Windex, Behold, Drano—Art Rosen, mgmt super; Dave Amedure, acct exec.

Jordan, Case & McGrath, New York—Miracle White, Renuzit line, new prods—Jack Taylor, exec vp; Niel Tergessen, mgmt super.

Kenyon & Eckhardt, New York—Vanish line—Jim Heekin, mgmt super; Nina Dansky, acct super.

Wilk/Brichta, Chicago—O-Cedar line—Art Wilk, president; Richard Kaplan, acct super.

MEAD JOHNSON & CO.

Marketing Personnel

Wayne A. Davidson, president
Raymond C. Egan, exec vp

Advertising Agencies

Robert A. Becker Inc., New York—Pharmaceutical prods—Raymond Perry, acct super.

Sudler & Hennessey, Chicago—Pharmaceutical prods—James Robinson, acct super.

Sieber & McIntyre, Chicago—Nutritional prods—Steve Freeman, acct super.

Lee King & Partners, Chicago—Nutritional prods.

Brown-Forman Distillers Corp.

	1982*	1981*
Sales	$885,000,000	$860,556,000
Earnings	95,200,000	86,771,000
Advertising**	74,000,000	78,000,000

*Fiscal years end April 30
**AA estimate

Brown-Forman Distillers Corp., affected by continuing international recession and price-cutting, pared its advertising spending 5% to $74 million for calendar 1982, ranking the Louisville, Ky.-based company 76th largest among national advertisers.

The slack in upward spending for advertising follows an increase of 21% from 1980 to 1981, and jolts B-F off the fast track it had projected for itself in 1982 when officials estimated a spending rate of $300 million "over the next three fiscal years."

The company now says that advertising and promotional support in 1984 will remain at about the same level as 1982.

In fiscal 1983 ended April 30, sales

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Why? Because your ads reach so much extra spending power in Syracuse that it's like getting thousands of extra consumers free. For example, Syracusans spend twice the average amount per person on scotch. 26% more than average on food.* And their median income is $2,300 over average.** Let us show you why the Syracuse Newspapers are the best way to reach this profitable audience. Send this coupon today.

*1982 Liquor Marketing Handbook
**1982 S & MM Survey of Buying Power

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rose 3% to $885 million and earnings increased 10% to $95.2 million. Stock earnings-per-share have grown steadily during the 1980s, from $2.65 in 1981 to $3.43 in 1982, and $3.76 for 1983.

Total measured advertising in calendar 1982 for Brown-Forman in newspapers, magazines, network and spot tv, spot radio and outdoor was $42 million for the period, up 11% from the $37.8 million the previous year.

Despite Brown-Forman's concerns for what it termed "lower consumer demand and heightened price competition," the company had a good year financially in fiscal 1983, and most of its major liquor and wine brands did well for the period closing April 30, 1983.

As 1983 unfolded, Jack Daniel's Black Label had moved up from No. 6 to No. 4 among largest-selling liquor brands in the U.S. as monitored by Lehman Bros. Kuhn Loeb, New York, but it declined in worldwide sales because of the recession. For its share, Jack Daniels sold 3.9 million nine-liter cases.

B-F's Canadian whisky entry, Canadian Mist, replaced Hiram Walker's Canadian Club, moving into second place in the category behind Seagram's V.O., and No. 8 over-all with 9-liter case sales of 3.7 million. The second largest-selling Kentucky bourbon, Brown-Forman's Early Times, gained 5.1% in case sales to 2 million.

Usher's Scotch made good gains. Old Bushmills Irish whisky rose moderately. Martell cognacs made sharp advances in volume. The Cella Bianco and Asti Spumante wine brands made good gains, and Korbel California Champagnes grew even faster than the rapidly expanding champagne/sparkling wine market.

Brown-Forman showed what it terms "modest volume growth" for its nine major brands, that is, those with wide depletions (wholesale-to-retail sales of more than 500,000 nine-liter cases for the year).

Of Brown-Forman's three major bourbon brands, only Early Times showed an increase in worldwide depletions for fiscal 1983, rising 2% to 2 million nine-liter cases. Early Times was dressed this year in its new parchment-style label and was backed by measured advertising totalling $1.83 million, split almost evenly between magazines and outdoor. Jack Daniel's Black Label Tennessee Whisky attracted measured ad expenditures of $5.1 million, 80% of that in magazines. Old Forester, B-F's original liquor brand, which fell 13% in case sales in fiscal 1983, drew $446,000 in spending, mostly outdoor.

Canadian Mist, separated by less than 100,000 case sales from Seagram's V.O. among Canadian whisky sales, had $8.3 million in measured media, some $4.9 million going into magazines and $3.4 million into outdoor.

While worldwide scotch drinking was off in 1982, Usher's Scotch, B-F's second largest imported brand, made a healthy gain of 7% in depletions for the year, moving 535,000 cases during fiscal 1983, a contrast to the previous year's decline of 4%.

Brown-Forman kicked off a new ad campaign for Old Bushmills Irish whisky worth $1.3 million in measured spending, $984,600 of it in magazines. The campaign, centered on the granting of the original Old Bushmills' Irish distillery license in 1607, nudged sales slightly upward.

Cella Wines, the largest of B-F's wine and specialty brands—it includes Lambrusco, Bianco, Rosato and Asti Spumante—fell 5% in depletions to 2.7 million cases from fiscal 1982. The loss came entirely from the normally best-selling Cella Lambrusco, as the white and sparkling varieties continued gaining in 1983. Cella advertising budgets total about $5.9 million, the great bulk going to network and spot tv where now-familiar Aldo Cella personifies the pleasures of wine appreciation.

Brown-Forman's premium imported Bolla wines grew 7% in the U.S. outside of New York City, but sales losses in that important market held over-all Bolla sales to an almost complete standoff—1.635 million cases in '83 vs. 1.65 million in fiscal '82. Bolla varieties include Soave and Trebbiano white wines and Valpolicella and Bardolino reds. Celebrating its 100th anniversary, Bolla has introduced Bolla Brut. Advertising totaled a substantial $6.3 million, more than half in network tv.

Southern Comfort, caught in the general downturn for liqueurs and cordials, dropped 6% in fiscal 1983 to 1.7 million cases, continuing a decline in the brand, but marketing support is hefty, and a new ad campaign has been launched after extensive market studies. Ad expenditures totaled about $5 million, including $3.12 million for magazines, $1.15 million for newspapers and $542,700 for outdoor.

Korbel California champagnes effervesced to a 26% increase for fiscal 1983 with depletions of 635,000 cases. Ad spending was about $800,000, all in magazines.

Also performing well for Brown-Forman were its premium-grade Martell cognacs. Supporting excellent gains in market share was a healthy advertising outlay—$2.1 million, most of it in magazines and outdoor.

Brown-Forman also has been restructured into a holding company configuration, with various divisions and subsidiaries falling under the Brown-Forman Distillers Corp. umbrella. Under the new arrangement, all business is now conducted through Brown-Forman Corp., a wholly-owned subsidiary responsible for all bottling, warehousing and marketing operations.

The previous marketing entities, including Jack Daniel's, B-F Spirits Ltd., The Jos. Garneau Co., and Brown-Forman International Ltd., are now independent divisions of Brown-Forman Distillers Corp.

Jack Daniel's and Old Forester/Early Times will be subsidiaries of Brown-Forman Corp. and will make inter-company sales of new whisky on an installment basis. A gain for Brown-Forman will be a substantial deferment of income taxes payable on these sales.

Just after the restructuring, B-F added a new independent subsidiary when it purchased Lenox, Inc., Lawrenceville, N.J., the famed maker of fine chinaware (as well as crystal, luggage and jewelry). Purchase price was $408 million.

Kenneth Wylie

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$4,571,900	$2,862,600
Magazines	18,536,300	17,065,400
Spot tv	3,851,200	7,917,700
Network tv	7,167,800	3,693,600
Spot radio	242,700	—
Outdoor	7,680,100	6,226,600
Total measured	42,050,000	37,942,400
Unmeasured	31,950,000	40,057,600
Estimated total	74,000,000	78,000,000

B-F SPIRITS LTD.
Marketing Personnel
William M. Street, board chairman
Daniel E. Schusterman, president
Charles J. (Jack) Davis, exec vp-exec director of sales
John V.O. Kennard, senior vp-group director
Timothy D. Younkin, senior vp-group director

JOS. GARNEAU CO.
William R. Carroll, board chairman
Ray Dryden, senior vp-director of brand mgmt
J. Fred Hamilton, senior vp-exec director of sales

JACK DANIEL DISTILLERY
Martin S. Brown, president and ceo
Arthur S. Hancock, exec vp-adv
David J. Mahanes, exec vp-sales
Hans L. (Lefty) Stern, vp-director prod devel

BROWN-FORMAN INTERNATIONAL LTD.
E. Peter Rutledge, board chairman and ceo
Robert G. O'Brien, president
William A. Blue, senior vp-mktg

Advertising Agencies

Advanswers, St. Louis—Jack Daniel's, Korbel, Bols Liqueurs (media planning)—Don Stork.

Benton & Bowles, New York—Cella and Bolla Italian wines, Martell cognacs, Old Bushmills Irish whisky—Tom Carey, acct director; Fred Sawabini, acct super (Bolla, Martell and Old Bushmills); Pat Porter, acct super (Cella).

BFV&L, St. Louis—Korbel California champagnes and brandy—Mark Lashley, mgmt super.

Burrell Advertising, Chicago—Canadian Mist, Cella imported wines, Martell cognacs, Southern Comfort—Gene Morris, senior vp-mgmt super; Julius Jones, acct super.

Gardner Advertising, St. Louis—Jack Daniel's (creative)—Charlie Haines, mgmt super; Rena Roberts, acct exec.

McCann-Erickson, Louisville/New York—Canadian Mist, Early Times, Southern Comfort—John R. Anderson, senior mgmt rep (all); David K. Edwards, acct super (Canadian Mist); Janita Gaulzetti, acct exec (Canadian Mist); Dana Ferguson, acct exec (Early Times); Don Grignon, acct super (Southern Comfort); Dana Ferguson, acct exec (Southern Comfort).

Tatham-Laird & Kudner, Chicago—Bols Liqueurs (creative)—Tom Schaeffer, mgmt rep.

CBS Inc.

	1982	1981
Sales	$4,122,800,000	$3,955,900,000
Earnings	112,509,000	162,829,000
Advertising*	158,997,000	134,010,000

*AA estimate

CBS Inc., New York, the country's 41st largest advertiser, raised its advertising expenditures 18.6% in 1982 to $158.9 million. In 1981, the company spent $134 million.

CBS measured media spending rose in four categories: Spot tv, which increased 159%; network tv, gaining 68%; newspaper supplements, up 29%; and newspapers, up less than 1%.

CBS advertising declined substantially in network radio, cut back 85%, and outdoor, which dropped 21%, with magazine spending also down 4%.

In 1982, CBS revenues rose 4% to $4.12 billion, but net income dropped 30.9% to $112.5 million, reflecting the discontinuation of some businesses, including CBS Cable and the specialty stores division, as well as higher tv and radio programing investments.

Domestic earnings fell 24.6% to $248.6 million, while revenues increased 7% to $3.4 billion.

After a poor first quarter in 1983, during which earnings declined 46% from the same period last year and staff and budget cutbacks in the broadcast group were ordered, CBS financial results for the first six months of this year improved substantially. Revenues in the first six months increased over last year in every operating unit, with total revenues increasing 6.4% to $2.1 billion. Net income also increased in the first six months of 1983 to $76.5 million, a 30% increase.

Profit gains in the CBS Broadcast Group, however, were restricted because of a decline in tv network profits resulting from a soft scatter sales market and a sales strategy that backfired. The CBS-TV Network strategy in 1982 had been to sell less commercial time in the upfront market, in which advertisers buy commercial time "upfront" for the entire broadcast year, and to hold back greater time for sale in the scatter market. At the same time, CBS-TV ended the practice of giving advertisers guarantees of audiences in specific demographic categories, a practice continued by ABC and NBC. The scatter market, in which advertisers buy individual commercial spots on an as-you-go basis, failed to materialize as predicted and the situation was worsened for CBS as advertisers resisted buying time on the network—in part as retaliation for the network's change in its guarantees policy. While CBS/Broadcast Group executive vp James Rosenfield said earlier this year that CBS would under no circumstances change its stance on demographic guarantees, the network did grant advertisers guarantees on women audiences in prime time during the 1983-84 upfront season. Advertisers took the policy reversal as a clear indication that the CBS strategy in 1982-83 had failed.

CBS-TV Network sales during the upfront market for the 1983-84 broadcast year, while reportedly moving more slowly than its rival networks, were characterized by CBS sales officials as on target.

In 1982, the CBS Broadcast Group's revenues increased 12% to $2.17 billion. Operating profits for the group, however, declined 12% to $274.1 million. The company attributed the decline in operating profits to investments in sports and news programing and the startup in the radio division of RADIORADIO, a new network service. Further, the cost of prime time entertainment programing continued to increase. The tv stations division, however, reported improved profits.

CBS/Records Group continued its decline in revenues and operating profits, a pattern begun in 1980. Records Group revenues were down 12% to $1.07 billion, while operating profits fell 62% to $22.2 million. The company said Records Group revenues were down because of the economy, home taping and increased competition from videocassettes, videodiscs and videogames. Further, operating profits declined in large part because of the $13.1 million pretax cost of closing its audio disc and cassette manufacturing facilities in Terre Haute, Ind., and the restructuring of the sales force that led to the closing of 10 sales branches.

CBS/Columbia Group showed a 22% increase in revenues, but a 71% decline in operating profits. The revenue increase was because of the acquisition of Ideal Toys in August, 1982. In toys, profits were higher than last year, but the musical instruments operations declined sharply for the second consecutive year.

CBS/Publishing Group showed revenue gains of 6%, while operating prof-

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its dropped 11.8% to $38 million. Profits for educational and professional publishing increased, but magazine publishing operating profits declined.

In the 1981-82 tv broadcast year, CBS-TV Network posted its third straight victory in the prime time ratings war. The network also won the prime time battle in 1982-83 by a narrow margin over ABC-TV. In 1981-82, seven of the top 10-rated regularly scheduled prime time programs were on CBS, down from eight in 1980-81. The network, however, had the only new series, "Falcon Crest," to finish among the 20 top-rated programs. Last season, CBS' "60 Minutes" emerged as the highest-rated regular series.

While still in second place in the day part, CBS gained on leader ABC-TV in daytime ratings. In late-night, CBS had the highest ratings for the second consecutive year. CBS ratings declined on Saturday mornings in 1981-82 against competing programing based on popular videogames.

In sports programing, CBS-TV Network added NCAA football and, with the other two tv networks, signed a five-year $2 billion pact with the National Football League that precludes the airing of professional football games on cable tv. The contract, however, was interrupted in 1982 as the NFL players staged a 56-day strike, forcing CBS, like NBC, to air alternative programing on weekends.

The "CBS Evening News with Dan Rather" was the only network early news program to gain audience in 1981-82 and led its competition in 50 weeks during the year. The network newscast continued as the top-rated early news program in 1982-83.

In February, the network expanded its "CBS Morning News" to two hours and in March named Bill Kurtis and Diane Sawyer as co-anchors. In October, "CBS Early Morning News" was launched as a lead-in to "CBS Morning News," while "Nightwatch," a news service running from 2 a.m. to 6 a.m. (ET) also started that month.

The tv station division showed record revenues and profits in 1982, with each of the five owned stations placing first or second in their markets during the November, 1982, A.C. Nielsen ratings for local news programing. The stations also began upgrading and expanding local news and sports coverage as a countermove to inroads made by local independent stations.

The CBS radio division results suffered from the startup of RADIORADIO, a young adult programing service, as well as increased competition from other radio programing services, the loss of the NFL broadcasts during the players' strike and the increase in broadcast rights for sports programing.

The theatrical films division last year released its third film since starting operations in 1981. The division has plans to release between four and six motion pictures a year. Warner Bros. will handle domestic distribution and tv syndication of the films for the next three years. "Table for Five," starring Jon Voight, was released this year and another, "All the Sad Young Men," is planned for release later in the year.

CBS/Records Group financial results declined again in 1982 because of increased competition and the restructuring of operations and manufacturing. At the same time, the records division signed on several significant new artists to its record labels, including Men At Work, Toto, Judas Priest, Luther Vandross and The Clash. Other established recording stars on CBS labels include Billy Joel, Bruce Springsteen, Journey, Neil Diamond and Michael Jackson, whose 1983 album "Thriller" has already had four songs reach the top of the record charts. Further, *Billboard* magazine showed CBS' Columbia Records to be the leading label in 1982 in all major categories of popular music.

In January, 1982, CBS/Records Group created CBS Songs as a separate division, handling music copyright royalties. The songs division is now involved in developing new talent, establishing co-publishing agreements and handling rights to the MGM/UA music catalog of some 50,000 popular titles, which CBS acquired in early 1983.

Columbia House, the direct-mail marketing arm of CBS/Records Group that operates Columbia Record and Tape Club and the CBS Video Club, showed increased profits in 1982 despite the softness in the record industry in general.

CBS/Columbia Group, which includes the toys and musical instruments divisions, had disappointing financial results last year, with operating profits plummeting 71%. The acquisition of Ideal Toys provided CBS with improved capabilities in administration, warehousing, manufacturing and international distribution. Further, CBS/Columbia Group started two new units, CBS Video Games and CBS Software, while selling its specialty stores operation, Pacific Stereo.

CBS/Publishing Group's college publishing unit had record sales in 1982 resulting from its strategic shift into publishing texts for engineering, computer science and business curriculums, while maintaining its programs in the humanities, foreign languages and the behavioral and social sciences. The unit also began production and marketing of telecourses carried by local tv stations in conjunction with universities.

The group's professional publishing unit, consisting primarily of the medical publishing company W.B. Saunders, had record sales in 1982. The school publishing unit, however, had a decline in sales primarily due to declining college enrollments and cutbacks in school funding. The Holt, Rinehart & Winston general book unit also had declining sales, despite a number of best sellers. The international publishing unit, which acquired the Cassell product lines in the United Kingdom, continued to experience sales growth.

CBS consumer publishing unit's 10 magazines had fewer ad pages sold than in 1981. Copy sales and the acquisition in April, 1982, of *Cuisine* resulted in over-all revenue gain for the division. *Woman's Day* increased advertising revenues and copy sales last year, as did *Field & Stream*. *Mechanix Illustrated* and *Audio* ad revenues declined, but ad revenue gains were shown by *Cuisine*, *World Tennis*, *Road & Track* and *American Photographer*. Ad revenues for *Cycle World* were flat against 1981. *Family Week*, the unit's Sunday newspaper magazine, achieved record ad revenues and circulation in 1982.

Other CBS ventures include a joint venture with 20th Century-Fox Video called CBS/Fox to market prerecorded home video entertainment. CBS also entered a joint venture with Columbia Pictures and Home Box Office to establish Tri-Star Studios to produce motion pictures. CBS also operates Venture One, which conducts market tests of videotex, and Extravision, a teletext service launched in 1983.

The biggest personnel move at CBS occurred in 1983, with the retirement of William S. Paley as chairman of the company. Thomas Wyman was named Mr. Paley's successor as chairman. In 1982, Tony C. Malara was promoted to president of CBS-TV Network, from network general manager, and Jerome Dominus replaced Paul Isaccson as network tv vp-sales, with Mr. Isaccson heading up the newly created CBG/CBS Cable Group.

Craig Reiss

ADVERTISING EXPENDITURES*

	1982	1981
Newspapers	$15,917,700	$15,822,600
Magazines	28,248,000	29,652,000
Spot tv	15,818,500	6,089,400
Network tv	2,851,400	1,690,000
Spot radio	801,300	143,000
Network radio	484,800	3,260,300
Outdoor	775,000	990,200
Total measured	64,896,700	57,647,500
Unmeasured	94,100,300	76,362,500
Estimated total	158,997,000	134,010,000

*AA estimate

ADVERTISING EXPENDITURES**

	1982	1981
Newspapers	$38,896,000	$36,619,000
Magazines	22,008,000	26,601,000
Business pubs.	4,331,000	3,437,000
Spot tv	20,605,000	7,516,000
Network tv	2,339,000	2,377,000
Spot radio	11,671,000	13,088,000
Network radio	1,982,000	2,056,000
Point-of-purchase	6,628,000	7,202,000
Direct mail	18,051,000	11,794,000
Outdoor/transit	2,543,000	2,940,000
Other	2,076,000	3,203,000
Production	27,857,000	17,177,000
Total	$158,987,000	$134,010,000

**Provided by company

CBS INC.
Marketing Personnel

Louis Dorfman, vp-creative director, adv/design
Warren Spellman, vp-media services
James Shumaker, director-operations/-admin
Maureen O'Donnell, director-media services
Naomi Andrews, copy chief
Paul Rosenthal, mgr-adv operations
Ted Andresakes, senior art director
Robert Bolton, mgr-adv operations
Ira Teichberg, director, design services

CBS/BROADCAST GROUP
Marketing Personnel

George Schweitzer, vp-communications
David Poltrack, vp-rsch
Lynne Grasz, director-communications

CBS TELEVISION NETWORK
Marketing Personnel

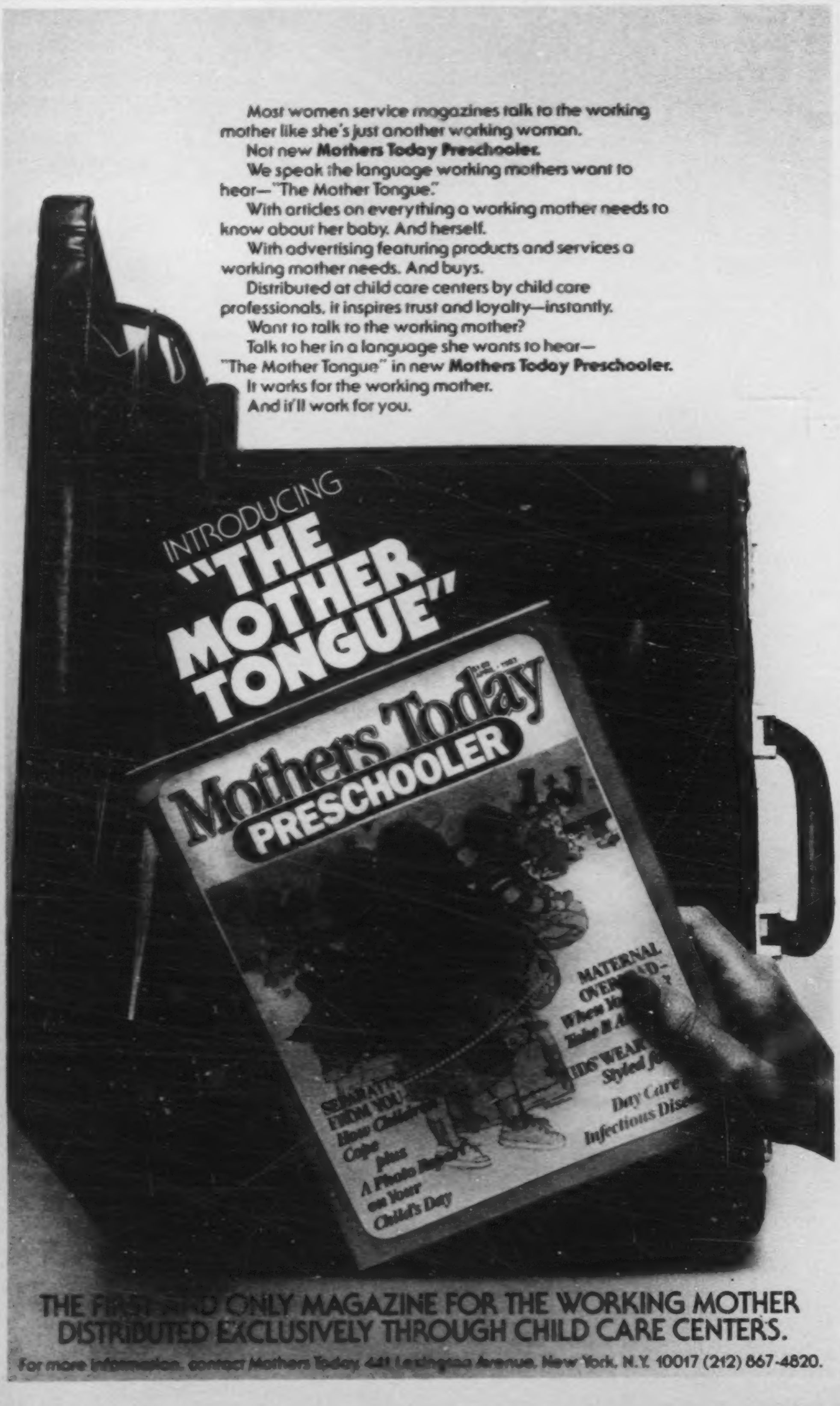
Jerome Dominus, vp-sales
William Cecil, vp-sales planning

CBS CABLE SYSTEMS (BLACKHAWK)
Marketing Personnel

Joseph W. Hipple III, vp

CBS ENTERTAINMENT
Marketing Personnel

Mort Pollack, vp-adv and promo
Ann Kalman, media director
Herman Aronson, director-operations
Bruce Weiner, director-affiliate adv and promo
David November, director-creative services
Jerry Taylor, director-admin, on-air promo (LA)
Edwin Gish, vp-on-air promo
Jacques Sammes, exec copy director
Daniel Stern, vp-promo, East Coast



Most women service magazines talk to the working mother like she's just another working woman.

Not new **Mothers Today Preschooler.**

We speak the language working mothers want to hear—"The Mother Tongue."

With articles on everything a working mother needs to know about her baby. And herself.

With advertising featuring products and services a working mother needs. And buys.

Distributed at child care centers by child care professionals, it inspires trust and loyalty—instantly.

Want to talk to the working mother?

Talk to her in a language she wants to hear—"The Mother Tongue" in new **Mothers Today Preschooler.**

It works for the working mother.

And it'll work for you.

THE FIRST AND ONLY MAGAZINE FOR THE WORKING MOTHER DISTRIBUTED EXCLUSIVELY THROUGH CHILD CARE CENTERS.

For more information, contact Mothers Today, 441 Lexington Avenue, New York, N.Y. 10017 (212) 867-4820.

KNOW THY COMPETITION

See page 117

LNA

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CBS BROADCAST INTERNATIONAL

Joseph J. DiCerto, director, communications

CBS TELETEXT (EXTRAVISION)

Albert H. Crane III, vp

CBS SPORTS

Marketing Personnel

Neal Pilson, president
Carl Lindemann, vp-asst to president
James Harrington, vp-program planning and admin
Donn O'Brien, vp-finance and business planning
Kevin O'Malley, exec producer-college sports
James McKenna, vp-genl mgr
Kay Wright, vp-compliance and admin
Craig Foster, vp-business affairs and compliance
Robert Tassie, vp-communication
Keith Johnson, mgr-adv and media services

CBS NEWS

Marketing Personnel

Ronald Beck, mgr-program services
Joe Passarella, director-adv and promo

CBS TELEVISION STATIONS

Marketing Personnel

Kenneth R. Hall, vp-sales
Rod Perth, vp-genl mgr, natl sales
Michael Dainard, director-mktg
Paula McCorkle, adv director-WCBS-TV, New York
Lilly Eide, director-communications-WBBM-TV, Chicago
Mike Mishler, director-communications, KNXT, Los Angeles
Scott Hunker, mgr-adv and promo, KMOX-TV, St. Louis
Yvonne Forston, director-communications, WCAU-TV, Philadelphia

CBS RADIO

Marketing Personnel

Michael Ewing, vp-genl mgr, CBS Radio Networks
Judson Niver, director-natl sales, CBS Radio Networks
Suzanne Sack, director-sales promo, CBS Radio Networks
Robert P. Kipperman, vp-genl mgr, RADIORADIO
Amy Caplan, director-sales, RADIORADIO
Edward Kiernan, vp-CBS Radio spot sales
Judith Harper, director-promo, CBS Radio spot sales
Eli Kaufman, vp-CBS Radio spot sales
Kathleen Seipp, director-mktg, CBS fm group
Helene Blieberg, mgr, promo, CBS fm natl sales
Thomas Dawson, vp-mktg devel, CBS Radio Networks
Norm Ginsburg, director-affiliate programs, promo, CBS Radio Networks and RADIORADIO Network
Wini Mullen, director, info services, WCBS-AM, New York
Betsy Bucken, director, adv and promo, WCBS-FM, New York
Barbara Diguido, mgr, info services, WBBM-AM, Chicago
Brian Pussilano, vp and genl mgr, WBBM-FM, Chicago
Fred Bergendorff, promo director, KNX-AM, Los Angeles
Bob Nelson, vp and genl mgr, KNX-FM, Los Angeles
Lynda Dartnell, director, communications, WCAU-AM, Philadelphia
Vince Benedict, vp and genl mgr, WCAU-FM, Philadelphia
Aline Surmeyer, mgr, adv and promo, KMOX-AM, KHTR, St. Louis
Linda Pinstein, director, adv and promo, WEEI-AM, Boston
Rick Peters, director, programing and production, WHTT, Boston
Holly Hartz, director, community services, KCBS-AM, San Francisco
George Sosson, vp, genl mgr, KRQR, San Francisco
Judy Harper, director, info services, CBS owned am stations
Robert F. Hyland III, vp, CBS owned fm stations

CBS THEATRICAL FILMS

Marketing Personnel

William Self, president
Gary J. McCarthy, vp-finance and business affairs

CBS/RECORDS GROUP

Marketing Personnel

Walter Yetnikoff, president
Cornelius F. Keating, senior vp-direct mktg
Robert Altshuler, vp-press and public affairs

CBS RECORDS DIVISION

Marketing Personnel

Don Dempsey, senior vp-genl mgr, Epic, Portrait and Associated labels
John Berg, vp-packaging art and design
Bob Sherwood, vp-mktg, Columbia Records
Albert Shulman, senior vp and genl mgr, CBS Special Products
Calvin Roberts, senior vp-operations, mktg
Paul Smith, senior vp-genl mgr, mktg
Roz Blanch, vp-merchandise planning
Ron McCarrell, vp-mktg, Epic, Portrait and Associated labels
Linda Barton, Gotham Advertising
Edna Texidor, Columbia Magnetics, coordinator
Tom Asalone, director, creative services, Columbia Special Products
Michael Stewart, president, CBS Songs
Yvonne Ericson, director, media/print and tv, CBS Songs

CBS RECORDS INTERNATIONAL

Marketing Personnel

Allen Davis, president
Art Bruno, vp-operations
Bernice Freidus, vp-creative operations

COLUMBIA HOUSE

Marketing Personnel

Richard Wolter, exec vp
Leon Graham, vp-music mktg
Diane Aronow, vp-club adv and promo, Record & Tape Club and Columbia Video Games Club
Richard Archer, vp-creative services
Thomas Allen, vp-Vista Marketing
Brian Wood, director, Video Club mktg

CBS/COLUMBIA GROUP

Marketing Personnel

Alvin H. Fenichel, vp-finance
Charles F. Wassem, vp

CBS MUSICAL INSTRUMENTS

Marketing Personnel

John McLaren, president

FENDER/ROGERS/RHODES/SQUIER

Marketing Personnel

Bill Schultz, vp-genl mgr
Roger Balmer, vp-mktg and sales
Robert Sandell, vp-sales, domestic/intl
James Cruickshank, adv mgr

GEMEINHARDT

Marketing Personnel

Bill Schultz, vp-genl mgr
Glenn Holtz, director-mktg

STEINWAY & SONS

Marketing Personnel

Lloyd Meyer, president
David Rubin, senior vp
Robert Dove, vp-mktg and sales
Gene Inman, vp-director, Steinway Hall

RODGERS ORGAN CO.

Marketing Personnel

Steve Sidwell, vp and genl mgr
James A. Walls, director, sales and mktg

GULBRANSEN

David Rubin, senior vp
Robert Dove, vp-mktg

LYON-HEALY

Marketing Personnel

M. Ross Brown, president
Robert Storm, director, sales and mktg
James Cruickshank, adv mgr

CBS TOYS DIVISION

Marketing Personnel

Benjamin Ordover, president
Waymon Wittman, vp-CBS Pre-school (Wonder/Gym Dandy/Child Guidance)
Allan Blum, director-mktg, CBS Pre-school
Robert Kersey, sales, CBS Pre-school
Lonny Fryberger, vp and genl mgr, CBS Toys & Games
Pat Hamlon, director, mktg, CBS Toys & Games
Jim Camilleri, sales, CBS Toys & Games
Richard Baumbusch, vp-mktg, CBS Electronics
John Rosen, director, mktg, CBS Electronics
Barry Denes, sales, CBS Electronics
Harry Elias, director, operations, CBS Electronics
Judith Sussman, director, pr

CBS EDUCATIONAL & PROFESSIONAL PUBLISHING HOLT, RINEHART & WINSTON SCHOOL PUBLISHING

Marketing Personnel

Joseph M. Krassner, vp-mktg and sales
Sally Owen, director-adv

General Publishing

Jane Pasanen, vp-mktg and subsidiary rights
Karen Mender, director-adv, promo and publicity
Leslie Rowe, natl sales mgr

Winston Press

Jan Johnson, mgr, direct mktg

Praeger Publishing

Robert Ryan, direct-mail coordinator
Ann Dichter, director-institutional sales

CBS College Publishing

John Wood, vp-mktg and sales
Barbara Kimball, director-mktg
Deborah Karpak, adv and prod info mgr

CBS International Publishing

Marsha Feltingoff, director-intl operations

CBS PROFESSIONAL PUBLISHING THE WB SAUNDERS CO.

William Pesce, senior vp
Susan Hunter, director-mktg
Joan Spaulder, director-adv
William Moritz, natl sales mgr, subscription
Jim Walker, media mgr

CBS CONSUMER PUBLISHING

Marketing Personnel

Robert J. Krefting, president
Thomas O. Ryder, vp and group publisher
Thomas Kenny, vp and genl mgr
Robert Alexander, president, CBS magazine mktg
Carl Kopf, vp-genl mgr
Robert Spillane, vp-circulation director
Ted Giletti, director-rsch
Michael J. O'Neil, vp and asst group publisher
John Condon, vp and asst group publisher
Phyllis Crawley, director, communications
Perry Grayson, mktg services director-*American Photographer, Audio, Cuisine, Popular Magazines, World Tennis.*
Glenda Bradshaw, rsch director
Lester Abberbock, rsch mgr
Joanna Vitola, rsch analyst
Robert Checkanover, creative director
Darius Myers, project coordinator

Special Events Unit

Dolores Barrett, special events mgr
Ed Galligan, special events mgr
Abbe Weiner, asst mgr, special events

Magazines

Peter Diamandis, vp and group publisher, publisher, *Woman's Day.*
Don Q. Davidson, vp-assoc publisher, circulation, *Woman's Day*
Jay Burzon, vp-assoc publisher/adv and adv director, *Woman's Day*
Gordon Burkhard, vp, special prods, and publisher, Woman's Day Specials
Jim Hessel, adv director, *W a Da Secial*
Carol Klapper, publisher, Popular Magazines
Gary Fisher, publisher, American Photographer
Marlene Jensen, publisher, *Audio*
Roman Beyer, adv director, *Audio*
Peter Veronis, vp and director, CBS Magazine Network
Ed Kiel, promo director, CBS Magazine Network
Anne Sutherland Fuchs, vp, publisher, *Cuisine*
Peter Clancy, adv director, *Cuisine*
Susan McNamee, promo director, *Cuisine*
James Hansen, publisher, *Cycle World*
James Frahm, adv director, *Cycle World*
Barbara Barrow, rsch super, *Road & Track/Cycle World*
Eugene Bay, vp, publisher, *Field & Stream*
James S. Berrien, adv director, *Field & Stream*
Jack Counihan, promo director, *Field & Stream*
Rick Walter, rsch director, *Field & Stream*
Barbara Taffuri, rsch analyst, *Field & Stream*
Peter Hanson, vp, publisher, *Mechanix Illustrated*
Ernest Ranzulli, adv director, *Field & Stream*
John Brown, mktg services director, *Mechanix Illustrated*
Michael Schwartz, promo dirctor, *Mechanix Illustrated*
Bob Fitzpatrick, rsch director, *Mechanix Illustrated*
Richard A. Bartkus, vp, publisher, *Road & Track*
Cliff Paris, adv director, *Road & Track*
Charles M. Stentiford, vp-publisher, *World Tennis,* exec publisher, *Audio*
Peter McGrath, adv director, *World Tennis*
Amy Krakow, promo director, *World Tennis*
Morton Frank, chairman emeritus
Patrick Linskey, vp and group publisher, *Family Weekly*
Jonathan Thompson, vp-genl mgr, *Family Weekly*
Stanley Rosenfeld, vp-mktg director, *Family Weekly*
Gerald S. Wroe, vp-adv director, *Family Weekly*
Patricia Kyle, promo director, *Family Weekly*

CBS SOFTWARE

Art Barnett, vp-mktg

CBS/FOX

Ed Walsh, vp-mktg

Advertising Agencies

Doyle Dane Bernbach, New York—CBS corporate media services, CBS Broadcast Group, CBS Sports division, CBS News division, CBS Broadcast International, CBS TV Stations division, CBS Radio Network division, RADIORADIO Network, WCBS-AM, WCBS-FM, CBS owned am stations, CBS owned fm stations—Lawrence J. Iannuzzelli, senior vp.

Doyle Dane Bernbach, Los Angeles—CBS Entertainment division—Nancy Julian, acct exec.

Deutsch, Shea & Evans, New York—CBS recruitment adv—Kay Winterhalter.

Equity Advertising, New York—CBS recruitment adv—Julia Jacobs.

Korey, Kay & Partners, New York—WCBS-TV—Gary Blau.

P.K.G./Cunningham & Walsh, Chicago—WBBM-TV—Brad Wyatt.

Dailey & Associates, Los Angeles—KNXT—Bob Herzog, vp-acct super.

Ketchum Advertising, Philadelphia—WCAU-TV—Marson Myers.

Brand Advertising, Inc., Chicago—WBBM-FM—Pam Stahl, media director.

Serali Advertising, Los Angeles—KNX-AM—Jack Seery.

Poindexter/Osaki, Los Angeles—KNX-FM—Larry Poindexter.

McAdams and Ong, Philadelphia—WCAU-AM—Brian McAdams.

English & English, St. Louis—KMOX-AM and KHTR—Alice English.

Spencer Granville, San Francisco—KCBS-AM—John Leonard.

Young & Rubicam, New York—CBS Records (broadcast adv)—Morris Baumstein.

Wunderman, Ricotta & Kline, New York—Columbia Record & Tape Club, Columbia Video Game Club, CBS Video Club/CBS Video Library—Peter Rabar, Ralph Siegler.

Phelps & Associates, Burbank, Cal.—CBS Musical Instruments division, Fender guitars, Gemeinhardt flutes and piccolos, Rhodes electric pianos, Rogers drums, V.C. Squier strings—Joe Phelps, president.

Lord, Geller, Federico, Einstein, New York—Steinway & Son—Regis Albrecht.

Towne, Silverstein, Rotter, New York—Ideal Toys & Games—Amy Weltman, vp-acct super.

Nadler & Larimer, New York—Ideal Toys & Games, CBS Pre-school—Chuck Einach, exec vp.

Sive Advertising, Cincinnati—Ideal Toys & Games—Dave Siegal, acct super.

Wunderman, Ricotta & Kline, New York—CBS Electronics—Ralph Siegler.

Cunningham & Walsh, New York—CBS Software—Nat Allen, vp.

J.R. Navarro, Los Angeles—*Cycle World, Road & Track*—Mike Navarro.

Rumrill-Hoyt, New York—*Family Weekly*—Bernie Long, acct super.

Warren/Kremer, New York—*Field & Stream*—Peter Warren.

AMS Advertising, New York—*Mechanix Illustrated*—Stanley Pearlman.

Nadler & Larimer, New York—*Woman's Day*, CBS Magazine mktg. (single-copy sales)—Howard Berg.

March Advertising and Direct Marketing, Inc. New York—CBS Magazine mktg (subscription sales)—Mike Fabian, president.

Lois, Pitts, Gershon, New York—CBS Magazine Network—Patrick Dolan, acct super.

Denhard & Stewart, New York—Praeger—Caroline Barrnett.

Atlantis Inc., Hazlet, N.J.—Holt, Rinehart & Winston, school division—Bob Mallm.

Doyle Dane Bernbach, New York—Holt, Rinehart & Winston, college/Dryden Press/Saunders—Larry J. Iannuzzelli, senior vp.

Jameson Advertising, New York—Holt, Rinehart & Winston, genl books—Carol Stewart Gulyas.

CPC International

	1982	1981
Sales	$4,091,500,000	$4,343,100,000
Earnings	231,600,000	218,400,000
Advertising*	96,700,000	87,000,000

*AA estimate

CPC International, Englewood, N.J., the 62nd largest advertiser in the U.S., logged an estimated $96.7 million in ad spending in 1982, up 11% from the previous year.

Worldwide sales dropped 5.8% to $4.09 billion, with company officials pointing to lower dollar values of sales and reduced prices in the U.S. as the main contributors to the decline.

On the other hand, over-all earnings were up 6% to $231.6 million primarily because of improvements in productivity and cost control.

CPC is an international group of businesses mainly engaged in grocery products and corn wet-milling. Its 2,700 varieties of grocery items include soups, sauces, bouillons, mayonnaise, margarine, corn oil, starches, peanut butter and other products, all of which accounted for 60% of CPC's total sales in 1982. Its philosophy is to keep its products in leading market positions. As the largest corn miller in the world, CPC also produces agriculture-based products for industries ranging from construction to pharmaceutical. With price drops in North America, corn wet-milling sales, which contribute 37.7% of corporate sales, fell 7% over-all to $1.54 billion.

The North American division, including such units as Best Foods, S.B. Thomas, American Resin and specialty chemical companies, experienced a decline of 8.4% in sales to unaffiliated customers, from $1.55 billion to $1.42 billion.

International marketing expenditures rose to $248.7 million, up from $242 million in 1981. The company employs advertising to promote its grocery items, but uses sales representatives to push its corn wet-milling products. Network tv again gained the most noteworthy share of ad dollars, up 9.6% from to $23.5 million in 1982.

Mazola oil, one of CPC's top products, saw a decline in U.S. volume sales offset by gains in other countries. CPC supported the product with almost $10 million in measured media ad spending, with $7.7 million of it funneled into network tv. Commercials included endorsements by the wife and son of pitcher Tommy John, then of the New York Yankees. SAMS, a division of D'Arcy-MacManus & Masius, lost the $1 million Mazola Spanish-language account to Young & Rubicam's Bravo unit during the year.

Hellmann's and Best Foods mayonnaise retained high-level rates of sales, as CPC continued to weigh new uses of the products for promotion purposes.

Hellmann's won the major portion of the mayonnaise ad budget, with $6.1 million of its $7.6 million support going to network tv.

Skippy peanut butter, with measured advertising totaling $6.9 million, up from $6.7 million the previous year, saw its sales fall following a banner 1981, when it had a 55% sales increase over 1980. As peanut prices fell, Skippy prices were cut in 1982. Skippy also won a court battle to deny claims of royalty payments from the daughter of the "Skippy" creator.

Thomas' English muffins, with all of its $7.2 million ad budget ($6.7 million in 1981) directed at spot tv, and Sahara pita bread, backed by $285,300, down from more than $852,000, had what were termed "excellent" years, with almost 10% increases in sales.

Best Foods and Thomas in late 1982 switched responsibility of $11 million in tv spot buying from Porterfield Buying Unit to Dancer Fitzgerald Sample, which for some time has handled buying for Mazola oil, Skippy peanut butter and Hellmann's and Best Foods mayonnaises.

Even with an increase in ad backing, from $692,300 in 1981 to $2.7 million in 1982, Golden Griddle pancake syrup suffered declining sales, as did others in that product category. Karo, the leading corn syrup for home cooking, recorded a volume gain of 4%. The $1.7 million in media support went to magazines.

Tina Lesher

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$854,200	$1,317,100
Magazines	9,191,200	6,633,200
Spot tv	13,541,500	13,079,500
Network tv	23,468,500	21,425,800
Spot radio	81,800	—
Outdoor	460,500	381,800
Total measured	47,597,700	42,837,400
Unmeasured	49,102,300	44,162,600
Estimated total	96,700,000	87,000,000

BEST FOODS

Marketing Personnel

David R. Newstadt, president
Richard Miller, vp-prod mgmt
Leroy F. Reiser, vp-mkt devel
Robert O. Herman, vp-sales
Jean Burtis, consumer service director
Dennis C. Beaumont, director-adv and promo
Aaron Strauss, director-mktg rsch
Joseph R. Cross, vp-mktg services

Advertising Agencies

Dancer Fitzgerald Sample, New York—Hellman's and Best Foods mayonnaise, Hellman's and Best Foods relish sandwich spread, Hellman's and Best Foods tartar sauce, Hellman's Spin Blend salad dressing, Skippy and Skippy Old Fashioned peanut butter, Mrs. Fanning's Bread and Butter Pickles, Mazola margarine, Diet Mazola margarine, new prods—George Dean, mgmt director; John Kaiser, mgmt super; Ed Padin, Reg Pierce, Linda Corbin, acct supers; Oliver Payne, Andy Bonaparte, Mona Kornfeld, acct execs.

D'Arcy-MacManus & Masius, New York—Mazola corn oil, Golden Griddle pancake syrup, Karo corn syrups (dark and light), Argo corn starch, new prods—Joseph Carlucci, John Flynn, George Karelekas, mgmt reps.

S.B. THOMAS INC.

Marketing Personnel

Michael W. Hogarty, president

Nina Henderson, vp-prod mgmt
Octavian S. Pechar, group prod director
Michael Lebo, senior prod director
Robert Anderson, vp-sales

Advertising Agencies

Young & Rubicam, New York—Thomas' English muffins, Toast-r-Cakes and Protein Bread—John Glorieux, mgmt super; Richard Kahn, acct super.

Dancer Fitzgerald Sample, New York—Sahara Bread—Michael Jeary, new prods mgmt super; Steve McGraw, acct super.

SPECIAL PRODUCTS

Marketing Personnel

Albert A. Witz, president
J.F. Marino, director-sales
K.A. Pirnat, mgr-import dept
B.D. Hillenbrand, Knorr mktg mgr
D.K. Hotopp, asst prod mgr

BEST FOODS CARIBBEAN

Plinio Gonzalez, president
Jaime Pericas, vp-mktg
J.F. Tonarely, vp-sales

Advertising Agency

Premier Maldonado, San Juan, P.R.

CORN PRODUCTS

Marketing Personnel

Robert J. Gillespie, president
R.W. Spaeth, vp-sales, mktg business mgmt

Campbell Soup Co.

	1982	1981
Sales*........	$1,773,000,000	$1,678,000,000
Earnings*.....	211,000,000	190,000,000
Advertising**..	121,000,000	70,757,000

*Campbell U.S. division only
**AA estimate

Campbell Soup Co., Camden, N.J., the 52nd largest national advertiser, increased its advertising spending to $121 million in 1982, a 71% increase from the previous year. Over the last several years, Campbell has graduated from a well-oiled, semisomnolent production machine to a company poised for growth through acquisitions and continuous new product gestation.

The prime mover has been R. Gordon McGovern, who took over as Campbell's president-chief executive officer in December, 1980, bringing with him a five-year plan calling for structural and philosophical changes in the Campbell *modus operandi.* The blueprint calls for a 5% annual unit volume growth, 15% annual sales growth, a 72% increase in marketing expenditures, a near doubling of the advertising budget and the addition of two major new products a year.

It has also involved a decentralizing of corporate management to facilitate entrepreneurial risk taking and new-product development—a tack that Mr. McGovern took as president of Campbell's Pepperidge Farm subsidiary, his position immediately prior to his current post. Campbell's U.S. division has been divided into eight strategic profit centers: Soups, beverages, pet foods, frozen foods, fresh produce, main meals, grocery and foodservice. A ninth, health and fitness, was to deal in foods, equipment or programs that promote physical fitness.

In the last year, Campbell began marketing a Pepperidge Farm line of premium frozen poultry products via an arrangement with Barber Foods, Portland, Me.; made plans to distribute a new apple juice product as a result of having purchased Costa Apple Products, Highland, N.Y.; acquired for its Campbell Hospitality's "Tuesday's," a Southeastern theme restaurant chain; started test marketing Pepperidge Bake-at-Home bread in Syracuse and New Orleans, and introduced into limited test Chunky for Cooking, a line of blended ready-to-serve sauces.

If these ventures go the way of others in recent Campbell history, the company will be pleased. Recent new product successes include Le Menu, a line of low-calorie frozen foods competing with Stouffer's Lean Cuisine; Prego spaghetti sauce, and Pepperidge Farm's Deli's and Vegetables 'n' Pastry—all of which represent Mr. McGovern's penchant for convenient foods that are also interesting and nutritious.

Introduced into western test markets last year, Le Menu achieved national distribution this spring—but only after its rousing western success caused the company distribution difficulties. Initial western sales reportedly ran some 70% above projections.

Although Le Menu has not been positioned specifically as a diet dinner, each member of the eight-item line contains fewer than 500 calories, reflecting Campbell's desire to increase its market presence among lighter, low-calorie foods.

Introduced last year, Prego spaghetti sauce has given Chesebrough-Pond's Ragu—long the dominant spaghetti sauce—a run for its money. Today, Prego has achieved more than 20% share of sauce sales in its market, good for more than $100 million in retail sales. The total spaghetti sauce market is gauged at some $600 million annually and climbing. Campbell is projecting that Prego will snare 25% to 30% of the national market by this fall.

The company is testing Prego soups in Cincinnati and Syracuse and is researching a line of Italian frozen entrees and dinners, along with a family of bread products that could be produced by Pepperidge Farm. More than likely, a successful soup test could spawn an entire generation of Prego products.

Campbell's Pepperidge Farm subsidiary last year introduced Vegetables 'n' Pastry, a batch of vegetables in a sauce, wrapped in puff pastry. The line includes: Asparagus in mornay sauce; mushrooms dijon; zucchini provencal, spinach almondine in a light cheese sauce, and broccoli in cheese sauce. Like their gourmet predecessor, Pepperidge Farm's Deli's, Vegetables 'n' Pastry is targeted mainly at smaller households, particularly working women and men cooking for themselves, who need something fast, convenient, nutritious—and a little fun, too.

During Mr. McGovern's tenure at Pepperidge Farm, the subsidiary became the star performer in the Campbell galaxy, and remains the fastest growing of its operating divisions; as such, last year PF recorded a sales gain of 19%, with volume alone accounting for 12%. Operating earnings were $41 million and represented 14% of the corporate total.

According to Campbell, new products contributed to some 90% of PF's fiscal 1982 volume gain. In addition to its forays into the nondessert market, last year Pepperidge introduced strawberry, apple spice with pecans and apricot-raspberry varieties of its fruit cookies. The division also added two more flavors to its snack bars line, apple nut and blueberry.

Over the past few years, Campbell has also been in an acquisition mood, in keeping with its chief's stated intention to acquire companies that will add at least $200 million to Campbell sales every two years.

According to analysts, Campbell prefers small, fast-growing companies strong in product areas where Campbell is not. In the spring of 1982, Campbell bought Philadelphia-based Mrs. Paul's Kitchens, the leading U.S. producer of frozen fish. At the time of its purchase, Mrs. Paul's commanded some 25% of the frozen fish market, with 65 frozen food varieties and some $124 million in sales.

Other recent acquisitions showing Campbell's interest in health and nutrition include Juice Bowl, a producer of citrus juices that reportedly is the largest single supplier to the airlines and Costa Apple Products, through which Pepperidge Farm is test marketing an apple juice in two New England cities.

Campbell recently began an Arizona test of Juice Works, a blended 100% pure fruit juice drink. The product, which comes in canned, bottled and frozen concentrate, has four flavors: Cherry, grape, apple and orange.

In 1982, the soup unit's marketing expenditures totaled $57 million, a 45% increase from the previous year. The U.S. division's over-all marketing budget—$118 million in 1982—has increased 72% since 1980, a McGovern mandate. Campbell says it plans to keep accelerating that budget.

In addition to Le Menu, the Swanson division, which over the last few years has undergone a substantial revamping of priorities to fight slipping sales, has been test marketing Plump & Juicy fried chicken, cooked in special ovens to obtain light and crisp batter. According to Campbell, a West Coast test garnered 37% more sales than the old Swanson product. Campbell expects Plump & Juicy to be available nationally this fall.

A Campbell subsidiary since 1978, Vlasic Foods showed a 9% sales growth and a 21% boost in operating earnings last year—despite a modest decline in pickle-product consumption. While Vlasic remains committed to low-cost production, marketing expenses jumped 27% in 1982, to $31.4 million. According to Campbell, Vlasic will fuel growth by introducing new products in growth categories—*i.e.*, last year's introduction of low-sodium and low-calorie Lite pickles, test marketed in Phoenix, St. Louis and Kansas City.

Other new Vlasic items include: La Especial Mexican sauces and refrigerated products such as Win Schuler's Bar-Scheeze, made possible by the 1982 purchase of Win Schuler Foods, a Michigan-based producer and distributor of specialty cheese spreads and flavored melba rounds sold through retail, foodservice and mail-order channels. Win Schuler also produces foodservice salad dressings, party dips and sauces.

Gay Jervey

ADVERTISING EXPENDITURES

	1982	1981
Newspapers.......	$3,322,300	$4,351,400
Magazines........	7,182,300	4,601,200
Spot tv...........	17,436,800	11,749,800
Network tv........	40,733,800	20,207,500
Spot radio........	2,156,500	2,409,300
Network radio.....	9,738,700	4,280,400
Outdoor..........	42,700	—
Total measured..	80,613,100	47,599,600
Unmeasured....	40,386,900	23,157,400
Estimated total..	121,000,000	70,757,000

Marketing Personnel

H.M. Baum, vp-mktg.
Zoe Coulson, vp-consumer services
A.J. Adams, director-mktg rsch
P.N. Mulcahy, mgr director-CSC Advertising
D.F. Macaulay, director-design
F.A. Dudowicz, director-promos
E.C. Culp II, director-special prods

U.S. MARKETING SOUP

Marketing Personnel

H.M. Baum, genl mgr
J.W. Dodd, Jr., director-mktg, condensed soups
D.E. Goerke, director-mktg, ready-to-serve soups
H.P. Pelouze, III, director-mktg, special soup projects and Soup-for-One
D.E. Bair, mktg mgr
P.W. Comisky, asst mktg mgr

Advertising Agencies

Backer & Spielvogel, New York—red and white label condensed soups—Robert Holmen, exec vp-chief operating officer; Joseph Prior, senior vp-mgmt super; Allan Stone, vp-acct director; Charles Nemetz, acct super.

BBDO, New York—Chunky soup, Soup-for-One—Margo Kapor, acct exec; Diane Kilzer, acct super.

GROCERY

(Franco-American pasta, Campbell's Bean products, Prego, Swanson, gravies)

Marketing Personnel

Robert Subin, genl mgr
M.B. Buchalski, mktg director
P.P. Masaracchio, mktg director
Cynthia Conrad, mktg mgr
Kathleen MacDonnell, mktg mgr
Thomas Noto, mktg mgr
John Haring, mktg mgr

Advertising Agencies

Needham, Harper & Steers/USA, New York—Franco American pasta, gravies; Campbell's bean products, Swanson main dishes, chunk chicken—Philip Wallace, senior vp-acct group director; Richard Murray, senior vp-mgmt rep; Leo Mamorsky, acct super, Franco-American, Swanson new prods.

Leber Katz Partners—Prego—Jerome Davidow, exec vp; Maureen Sage, vp-acct super

BEVERAGES

Marketing Personnel

J.R. Emshoff, genl mgr
G.L. Hess, mktg director
K.C. Price, mktg director
P.F. Goodman, mktg mgr

Advertising Agency

Backer & Spielvogel, New York—Robert Holmen, exec vp, chief operating officer; Theodore LaMontagne, senior vp, mgmt super

FROZEN FOOD

Marketing Personnel

S.A. McNeil, genl mgr
R.A. Shea, director-mktg
A.D. Levy, asst prod mktg mgr
D.E. Lynn, prod mktg mgr

Advertising Agencies

Ogilvy & Mather, New York—Graham Phillips, exec vp-super, John Aymar, vp-accct super.

FRESH FOODS

Marketing Personnel

Stephen Blum, genl mgr, produce
Daniel Santangelo, genl mgr, refrigerated

FOODSERVICE

Marketing Personnel

A.N.Calabrese, genl mgr
R.D. Berryman, director-mktg
W.C. Lehneis, mktg mgr

Advertising Agencies

Lewis & Gilman, Philadelphia—R.G. Wilder, president, T.P. Ferguson, Don Kohri, acct execs.

Conill Advertising Associates, New York—(Spanish-speaking market)—Rafael Conill, president, Alicia Conill, exec vp.

PET FOODS

Marketing Personnel

R.W. Inpyn, genl mgr
S.M. Regan, mktg director

RESTAURANT DIVISION

Marketing Personnel

R.E. Johnston, president

Advertising Agency

Reichenstein Co., Rancocus, N.J.—Jonathan Grief, account super

PEPPERIDGE FARM

Marketing Personnel

W.A. Schmidt, president
E.W. Sweeney, vp-bakery
J.P. Horn, vp-frozen
T.H. Fey, president-genl mgr, confectionery division, vp-biscuit
R.S. Wilson, president-genl mgr, retail division
R.L. Schmalz, president-genl mgr, mail-order division
E.G. Rawson, genl mgr
C.A. Platt, mktg director
J.E. Tierney, vp-corporate relations

Advertising Agency

Ogilvy & Mather, New York—Graham Phillips, exec vp-genl mgr; Charles L. Decker, senior vp-mgmt super; Mary Ellen Kiselick, acct super-frozen; Mark Goldman, acct super-bakery & biscuits; Carleen Kluss, asst acct exec-bakery & biscuit.

VLASIC

Marketing Personnel

J.R. Scales, president
Thomas Bitterman, vp-sales
J.M. Dorsch, vp-mktg

Advertising Agencies

W.B. Doner & Co., Southfield, Mich.—William Chase, mgmt super; Richard Friday, acct super; Trish Doyle, asst acct exec.

MRS. PAUL'S KITCHENS

Marketing Personnel

R.J. Baker, genl mgr
George Piszek, vp mktg

Advertising Agencies

Scali, McCabe, Sloves, New York—Philip Cohen, mgmt super; Anita Shelare, acct super.

SNOW KING FROZEN FOODS

Marketing Personnel

Harold Litv[illegible]n, genl mgr
Herbert Miller, mktg mgr

Advertising Agencies

Adventure Communications, Great Valley, Pa.—Frank Kaplan, acct exec.

Canon U.S.A.

	1982	1981
Sales*........	$820,152,000	$659,521,000
Earnings.....	NA	NA
Advertising**..	47,045,800	36,525,800

*In North America
**AA estimate

Holding strong in a generally depressed camera market, Canon U.S.A., the Lake Success, N.Y.-based division of the Tokyo company, ranked 96th among the nation's advertisers with 1982's total ad expenditures of $47 million, up 28% from the year before.

In a year when copiers surpassed cameras as the company's largest single product line, U.S. sales shot up 23.2% to $820 million. Worldwide sales rose 23.2% to $2.45 billion. Within the worldwide total, sales of photo products rose 11.3% to $941 million, while sales of business machines fared even better, jumping 53.4% to $1.3 billion.

Canon, possessor of myriad camera models for rank amateurs through professionals, introduced several new models and features in 1982.

The big news was the introduction of the Snappy, the smallest and lightest Canon 35mm camera yet. The Snappy, with its snazzy—yet simple—design, is Canon's first move into the instamatic market which for so long has been dominated by Kodak, with 33% of the market, and Polaroid, with 28%.

Sales of the Snappy have exceeded company expectations. An estimated 50,000 were sold each month, and production levels rose 40% only a few months after the mid-1982 launch. As a result, Canon sold 50% more compact cameras last year than in 1981.

Two Snappy models inaugurated the line, the Snappy 20, with a suggested price of $115, and the higher-brow Snappy 50, priced at $145. Both weigh 10.5 oz. and take negatives that are about 11 times larger than those of Kodak's Disc camera, thus providing finer detail and color when printed.

To market the Snappy, Canon has allotted about $40 million through 1985 and aimed it primarily at women, who constitute about 75% of snapshooter purchasers. Advertisements stress that family snapshots are important personal documents deserving 35mm quality.

Canon also continued to push its warhorse of camera lines, the "A" Models. The company introduced the AL-1, with a built-in quick-focus mechanism that eases the difficulty of finding a sharp focus. The AL-1 joins such sister cameras as the premium-priced A-1 and the popular AE-1, which in 1976 became the first single lens reflex camera promoted on network tv.

Largely because of the "A" Line of cameras, Canon now controls about one-third of the U.S. market in 35mm cameras. And although Canon's global sales declined slightly last year, its market share inched upward. North America is the largest market for Canon photo products, responsible for about 33% of all sales, followed by Japan and Europe with 29% each.

Professional athletes such as Tracy Austin and Joe Theismann continued to hawk the A Models, touting the now popular, "So advanced it's simple" slogan. Skier Phil Mahre was the new sports celebrity added to the line-up of Canon endorsers in 1982.

A new Sure Shot camera was introduced last year, beefing up the compact 35mm line. The newcomer is totally automatic, with auto-loading, auto-winding, an infrared auto-focus system, programed time exposure and built-in auto-flash. The first Sure Shot was introduced in 1979 and has since captured 25% of the compact 35mm market. Cameras, however, took a back seat to office machines in 1982, as copiers emerged for the first time as Canon's biggest seller. In North America, business machines accounted for 50% of sales last year, with photo products providing another 47% and optical products, 3%.

The big news in copiers was the introduction of the Personal Cartridge Copier, or the PC line, the world's smallest, lightest and least expensive plain paper copiers. The small PC copier contains only one-third of normal copier components, and its nearly maintenance-free design places all heavy-maintenance features such as drum, toner and developer in a disposable cartridge. The life span of the cartridge is approximately 2,000 copies, and replacement cartridges cost about $65 for black toner and $70 for blue or brown toner.

Two models of personal copiers were unveiled, the PC-10 and PC-20. The PC-10 lists for about $995 and features a single-sheet feeder. It became available this spring. The PC-20 lists for $1,295 and boasts multicopy capacity. It will become available this autumn. Canon expects to reach production levels of 20,000 PC-10 and PC-20 machines a month during the line's first year, and achieve sales of 10,000 a month in North America by the end of 1983. Actor Jack Klugman has been chosen as spokesman for the PC line. Dentsu is handling the advertising, which stresses the simplicity of the copiers.

About one million Canon copiers have been sold in the last 15 years, and the company now claims to be making more copiers than any other manufacturer worldwide. Helping to boost copier sales were two new NP models.

100

These are the NP-125, with enlargement and two-way reduction, and the NP-300, with 30-copy-per-minute speed plus reduction.

Canon researchers recently unveiled the prototype for a laser copier, which runs on digital signals and may be connected to other equipment such as microcomputers, facsimile transceivers and word processors. No word yet on either a price or an introduction date.

The laser copier is but one of Canon's many research projects, helped along last year by a hefty 62% rise in r&d funds to $99.8 million. Typewriters, first introduced by Canon in 1981, were another beneficiary of research dollars, as the company began turning out AP-500 and AP-400 electronic typewriters in early 1982. These top-of-the-line products boast such features as a built-in interface so that they can function as correspondence-quality printers for the Canon AS-100 microcomputer. Future plans call for the introduction of lower-price typewriters with more mass-market appeal.

While patent-creating innovations are a Canon hallmark, so is the company's close association with sports. Last year was no exception, as Canon launched it largest sports campaign to date during the World Cup soccer matches, where it had secured exclusive supplier and marketing rights. Estimated tv audience exposures for stadium billboards alone ran to over 10 billion people. No doubt Canon hopes to match or exceed this figure during the 1984 Olympics in Los Angeles, where it will be the official supplier of 35mm cameras. And the company scored unexpected points during Canon-sponsored Super Bowl XV, when Canon-endorser Joe Theismann led the Washington Redskins to victory.

Barry H. Slinker

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$949,600	$998,300
Magazines	11,683,400	9,226,600
Spot tv	6,103,600	4,809,900
Network tv	21,618,100	16,585,800
Spot radio	2,500	—
Network radio	2,104,400	1,389,500
Outdoor	301,400	195,200
Total measured	42,763,000	33,205,300
Unmeasured	4,282,800	3,320,500
Estimated total	47,045,800	36,525,800

Marketing Personnel

Cameras

E. Yoshinara, adv and sales promo mgr
T. Hirasawa, adv and sales promo mgr

Copiers

H. Hirai, adv and sales promo mgr
T. Kikuchi, adv and sales promo mgr

Calculators

H. Iwanami, adv and sales promo mgr
J. Sharp, mkt planning & admin mgr

Micrographics

M. Iwasaki, director & genl mgr

Optical products

T. Sakurai, director, industrial prods div

Advertising Agencies

Y&R/Dentsu, New York—N. Yamamoto, senior vp; H. Koriyama, senior vp-creative; Frank Savarese, vp; R. Pressman, acct super; Bill Barrett, media director; Payton Episcopo, Madelene Mazur, asst acct execs.

Grey Advertising, New York—William Overend, exec vp-mgmt rep; Harold Greer, vp-senior mgmt super; Lawrence Levy, Ray Halowski, vps-mgmt supers.

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Chesebrough-Pond's

	1982	1981
Sales	$1,623,190,000	$1,529,674,000
Earnings	125,265,000	114,822,000
Advertising*	131,006,800	136,241,000

*AA estimate

Chesebrough-Pond's, the nation's 48th largest national advertiser, decreased its domestic advertising spending by approximately 4% to $131 million in 1982.

After 10 years of sharp percentage increases in earnings, Chesebrough-Pond's earnings rose only 6.7% to $125.2 million last year. By comparison, its 1981 net income jumped 14.6%. Last year, sales were $1.62 billion, up slightly from $1.55 billion in 1981.

The company blames this slowdown on an economy that produced sluggish consumer spending patterns and severe retail inventory reductions, especially affecting its Prince Matchabelli and Health and Beauty Products divisions. To spur greater growth in 1983, C-P is investing heavily in marketing and controlling its nonmarketing business costs.

Additional advertising expenditures, however, were seen as a major contributor to earnings declines of 10.8% and 13.5%, respectively, during the 1983 first and second quarters. Sales for the first six months of 1983 increased modestly to $791.2 million from $788.4 million in 1982, while net income dipped to $53.3 million compared to $59.7 million a year ago.

Chesebrough-Pond's total advertising spending for the first six months of this year rose about 16% from 1982's first half to about $76 million, a record level for the company.

This aggressive marketing strategy is expected to continue throughout 1983 with sales increases anticipated as a result, said Ralph E. Ward, chairman-president.

Ad expenditures for Health & Beauty care products were $31 million in 1982, down about 15% from $36.7 million in 1981. As in 1981, however, a large chunk of the division's budget —$12.5 million—went to the Vaseline product line. Vaseline petroleum jelly remains the leader with about a 90% share of that market. But it was another of the line's category leaders—Vaseline Intensive Care lotion—that received the largest individual share of the division's advertising dollars, about $7 million. Vaseline Intensive Care holds about a 20% share of its market category.

In general, the Health & Beauty care division—which includes such mainstays as Q-Tips and Pond's cold cream —felt intense price competition from other name brands. This heated competition prompted Chesebrough to move deeply into trade allowances, cents-off coupons and other promotional tactics. These moves contributed to the division's reduced operating profit, to an estimated $52.5 million last year, from $54.7 million in 1981. At the same time, division sales rose only a modest 0.7% to $271.3 million.

Among the new products introduced in 1982 were a line of Cutex Perfect Color nail polishes, an improved Cutex polish remover with moisture-guard formula and Pond's Essential cleansing lotion and make-up remover.

In early 1982, the company pushed to get these new Cutex products into drugstore chains, where most of the nailcare business is done. This all-print endeavor was modeled after the early Revlon strategy that pushed the Revlon name into national prominence. Cutex advertising ran almost exclusively in magazines.

For its new Pond's Essential cleansing lotion, however, Chesebrough spent nearly $2 million, mostly in network tv, with some magazine and spot tv support.

In the home permanent category, Chesebrough-Pond's Rave still ranks No. 1, although it is down about 6 share points since last year and now holds about a 20% share of that market. The company spent $9.2 million on the Rave line last year, according to Leading National Advertisers.

Chesebrough-Pond's package foods division was among its most successful units last year. With the new Ragu Homestyle spaghetti sauce making the major contribution, sales rose 19.3% to $317.3 million and C-P, without breaking out the numbers, said the division's operating profit advanced an even stronger 30.7%.

Ragu Homestyle spaghetti sauce, introduced late in 1981, has emerged as one of the most successful new grocery products in years and has strengthened the Ragu brand's leadership position in the spaghetti sauce category. Ragu Homestyle sauce sales were fueled last year by a hefty $14 million advertising campaign, exclusively in network and spot tv.

Introduced in 1982 were two new Pizza Quick sauces and a pizza crust mix under the Pizza Quick name. Approximately $7 million was spent on these new products to promote the theme, "Homemade pizza, simple as pie."

As for the foods division over-all, which includes four other Ragu products, analysts' projections for 1983 remain upbeat. Recently released figures report that in the second quarter of 1983 the division netted $79 million in sales, up from $73.7 million a year earlier.

The Prince Matchabelli division emerged as Chesebrough's main trouble spot in 1982, but signs of improvement began to emerge this year. In 1982, division sales were only $109.4 million, down nearly 16% from $130 million in 1981, when it reported sales gains in cosmetics. About half of the division's sales come from fragrances, 40% from Aziza cosmetics and 10% from Erno Laszlo prestige skincare products and cosmetics.

The division suffered not only because of a soft fragrance market but, as Mr. Ward told ADVERTISING AGE, because "of our lack of perception, a lack of leadership and a lack of ideas."

Part of Matchabelli's declining fortunes can be related to its abandonment of a marketing approach in fragrances geared to short product life cycles—an approach it pursued aggressively in the 1970s. The division pulled back from aggressive fragrance marketing several years ago; last year, its fragrance marketing budgets were cut by an estimated 20% from the $10.2 million it invested in 1981 in its women's and men's fragrances.

Advertising in 1982 was an estimated $7.5 million, with about half that sum spent on the Aziza line, which received ad support of $4.2 million in 1981.

But in a drastic turnaround, advertising for the Matchabelli division during the second quarter of 1983 alone is up 85% from year-ago figures. And as a result, sales are picking up too, according to the company.

Several new products have been introduced this year as well, including the Aviance Night Musk fragrance line, launched in the first quarter. In the second quarter, Chesebrough brought out Cachet Noir fragrance line, a more sophisticated version of its popular Cachet.

A new line of eye shadows and eyeshadow pencils were also brought out this year and plans are in the works for a new mass-market women's fragrance in early 1984.

Chesebrough-Pond's Bass shoe division last year saw sales jump 13% to $140 million from $123.2 million, and last year extended its Bass Country Shops, a sort of department store boutique, into 160 stores, including Bloomingdale's and Marshall Field & Co. It also recently introduced factory outlet stores in New England.

In 1982, the division spent an estimated $1.8 million on Bass advertising, mostly in magazines, up from $1 million in 1981. Last year the company also purchased certain assets of Fun Striders, a California-based maker of footware sold under the brand names Fun Striders and Bare Traps.

Second quarter 1983 reports for Bass, however, are not as positive. Sales of Bass women's footwear, comprising the bulk of the division's sales, declined from last year. And although Bass men's footwear sales increased, the division's over-all sales slumped during that quarter to $32.7 million from $36.5 million the year before.

One of Chesebrough-Pond's most successful divisions is also its newest —the Prince division—created in July, 1982, with the acquisition for $64.4 million in stock of Prince Mfg. Inc., one of the leading makers of high-quality tennis racquets.

Prince sales increased 60.8% to $56.9 million and operating profit rose 52.4%. Sales for 1981 were $34.9 million. This growth has continued so far in 1983. The company introduced a new top-of-the-line Prince Boron racquet. Advertising for the entire division was just over $1 million last year, but Prince tv commercials were prominent during the Wimbledon and U.S. Open tennis tournaments this summer.

At the Health-tex division, sales in 1982 rose to $281 million from $251 million while operating profit grew 10.2%. The division introduced three new lines last year: Beach Babies swimwear for infants and toddlers and the Our Girl and Ready Set Go lines of girls' apparel. Ad spending for Health-tex was about $1.8 million.

Last March, C-P moved its Wind Song, Chimere, Cachet and Matchabelli for Men fragrances to William Esty Co. from Scali, McCabe, Sloves.

Susan Spillman

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$2,374,700	$2,505,500
Magazines	16,850,300	13,332,500
Spot tv	5,105,500	8,176,100
Network tv	46,051,100	49,348,000
Spot radio	448,500	199,500
Outdoor	4,500	—
Total measured	70,834,600	73,561,600
Unmeasured	60,172,200	62,679,400
Estimated total	131,006,800	136,241,000

CHESEBROUGH-POND'S

Marketing Personnel

Charles J. Chapman, group vp
Donald G. Wiesen, group vp
Frank L. Stamberg, group vp
K.R. Lightcap, vp-investor relations & public affairs
J.A. Russo, creative services director
R.S. Ziemba, director corporate communications
J.E. Campion, media director

HEALTH & BEAUTY PRODUCTS DIVISION

Lawrence K. Hathaway, president

Advertising Agencies

William Esty Co., New York—Vaseline brand products, Pond's products—Dean Van Nest, senior vp-group director; Tom Hayes, senior vp-mgmt super; Peyton Sise, acct super; Liz Kimball, acct super.

Ogilvy & Mather, New York—Q-tips, Rave, new products in health & beauty aids —David Weiss, exec vp-group director; Sharon McGarven, mgmt supervisor; Edie Holden, acct super.

Waring & LaRosa, New York—Cutex, Angel Face—John McCrosky, senior vp-acct director; Gloria Appel, acct super.

PRINCE MATCHABELLI DIVISION

Marketing Personnel

Edward I. Rabin, president
Michael Horwitz, mktg director—fragrances
Terry Augenbraun, mktg director-shadow cosmetics

Advertising Agencies

William Esty Co., New York —Aviance, Wind Song, Cachet, Chimere, Matchabelli for Men—Pat Vanderkamp, acct exec.

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Waring & LaRosa, New York—Aziza—Louise Erdman, acct super; Susan Quinn, acct exec.

HOSPITAL PRODUCTS DIVISION

Marketing Personnel

John D. White, president
Robert E. Karlson, vp-marketing & sales

Advertising Agency

Klemtner Advertising, New York-Lee Rosenberg, acct super.

ERNO LASZLO INSTITUTE

Marketing Personnel

C. Crawford Mills Jr., vp-genl mgr

Advertising Agency

Murray Salit & Associates, New York—Murrary Salit, acct super.

PACKAGE FOOD DIVISION

Marketing Personnel

Charels R. Perrin, president
Michael Jeans, vp-marketing

Advertising Agency

Waring & LaRosa—New York—Ragu, Adolph's—John McCrosky, senior vp-mgmt super; Irwin Levy, senior vp-acct super; Gen Shore, acct super.

HEALTH—TEX DIVISION

Marketing Personnel

R.A. Breakstone, president
H.S. Miller, exec vp

Advertising Agency

AC&R, New York—Alvin Chereskin, president-mgmt super; Joyce Kayhar, vp-acct super; Helen Hedges, acct exec.

G.H. BASS DIVISION

Marketing Personnel

Richard Bourret, president
Cheryl Anderson, mktg director

Advertising Agency

Lord, Geller, Federico, Einstein, New York—Bob Henklein, senior vp-mktg director; Marsha Simpson, mgmt super.

PRINCE DIVISION

Marketing Personnel

John P. Murray, chairman
Micheal Borkowsky, president

Advertising Agency

Waring & LaRosa, New York—Louise Erdman, acct super.

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[illegible]

Chrysler Corp.

	1982	1981
Sales	$10,044,900,000	$9,971,600,000
Earnings	170,100,000	(475,600,000)*
Advertising**	173,021,400	193,000,000

*(Loss)
**AA estimate

Chrysler Corp., Highland Park, Mich., the 35th largest national advertiser, decreased its ad spending in 1982 to $173 million, a drop of 10.4% from the previous year.

For the year, Chrysler was able to cut operating losses despite declining vehicle sales. The company, helped along with the $335 million sale of Chrysler Defense to General Dynamics in the first quarter of 1982, recorded its first profit since 1977.

Sales were $10.05 billion in 1982 compared with $10.82 billion the year before, the latter figure including a full year of Chrysler Defense, which was sold. Restated sales for 1981 were $9.97 billion.

Unit sales worldwide fell to 1,171,726 in 1982 from 1,283,013 the year before. Chrysler's U.S. car share rose slightly to 10% from 9.9% and truck share climbed to 9.5% from 8.2%.

The big ad move at Chrysler was the return of BBDO to handle the Dodge business (it began work in 1983), splitting off a good chunk of billings from Kenyon & Eckhardt, which was left with corporate, Chrysler-Plymouth and captive import advertising. BBDO had handled Dodge until 1979, when it was dropped in an austerity move.

Chrysler's ad spending fell off from the near frenzy levels of 1981 with the biggest drop in spot radio—a medium used for quick announcement of special promotions. Spot radio dropped 76% to about $12 million while other expenditures held even. Network tv did increase 24.5% to $68.2 million.

The agency addition was part of a company move to increase separate divisional identities. Joe Campana stepped into the vp-marketing spot, replacing Jack Givens, who left the company. He created the post of general marketing manager for two divisions. A.C. (Bud) Liebler took that post for Chrysler/Plymouth and Joseph Caddell at Dodge.

Messrs. Liebler and Caddell created distinct images for their respective divisions and small product differences began to crop up.

For example, Mitsubishi split off from Chrysler more dramatically as it began to market its own cars in the U.S. in 1982. Chrysler and Mitsubishi came to an agreement which guaranteed Chrysler a steady flow of the imports for its own showrooms in return for loosening its grip on the Japanese car maker in the U.S.

Chrysler car sales followed industry trends: Big and luxurious cars did well while small, economy cars lost sales. Chrysler's best-selling line, the K-car Dodge Aries and Plymouth Reliant, had a sales drop of 25% to 259,838 units in 1982. The subcompact Omni/Horizon line also fell 33.9% to 86,909.

The K-car sales decline was more than made up for by Dodge 400/Chrysler LeBaron line—K-cars in luxury trim. In its first full year, the 400/LeBaron had sales of 117,521. Another trim-created new model, the New Yorker Fifth Avenue (built from the Cordoba chassis) had sales of 62,725 in its first full year.

The Imperial was one of the few luxury cars that didn't do well in 1982. Imperial sales were so low in 1982 that Chrysler decided to drop the line during spring of that year. Imperial sales sunk 44% to 2,601.

Following a year filled with corporate advertising designed to make people believe Chrysler was a going concern, company marketers tried to get back to product advertising in the fall of 1981, the beginning of the 1982 model year. Chrysler, Chrysler-Plymouth (C-P) and Dodge ads overflowed with star presenters. Ricardo Montalban spoke of the secret dreams of Lee Iacocca, Kelly Harmon let her hair flow in various sporty Dodge cars, Walt Garrison looked tough in Dodge trucks and John Houseman spoke distinctly about Plymouth Reliant.

Despite this focus on product early in the model year, by mid-October 1981 Chrysler followed others in the industry in introducing rebates on almost all the vehicles that didn't fall under a "holding the line on price" effort.

Rebates continued in various forms through the spring of 1982 and into the winter. In March, rebates of $750 to $2,000 got a new theme line, "If you can find a better rebate, take it." That played off Mr. Iacocca's closing line, "if you can find a better car, buy it."

Chrysler tried to kick the rebate habit by offering a 50,000-mile warranty in the spring as the company responded to similar offers from Ford. The warranty would prove long-lived but unsuccessful in curbing rebates. Another set of rebates was dished up on Dodge trucks in June, ranging from $300 to $1,000. Still unable to resolve the presence of rebates and special interest rate offers, Chrysler followed other car makers into special interest rate offers into the winter of 1982-83, undercutting GM's and Ford's 9.9% springtime offers with a 9.8% rebate. Rebates were offered as an alternative to the special rates and ranged from $400 to $750.

The company's desire for divisional identity carried over to agency K&E, which opened a division of its own in Los Angeles, dubbed K&E's Import Car Agency. It began to handle all the Chrysler captive import advertising. Also in the spring, Chrysler decided to eliminate the middleman, K&E, on media billings and took the payment process in-house.

The effort to develop separate images for Dodge, Chrysler and C-P began anew in the fall. Ricardo Montalban got expanded duties as spokesman for the entire Chrysler line. Plymouth kept the theme line, "The American way to get your money's worth," but dropped John Houseman as spokesman.

Dodge kept the "America's driving machine" theme but dropped Kelly Harmon. Actor William Devane stepped in as spokesman for the new Dodge 600ES. The 600ES was compared in ads to a Mercedes, a theme later dropped (because of the agency shift), but also found faulty by the National Advertising Division of the Council of Better Business Bureaus. Comparative ads also were designed for the Omni/Horizon subcompact and Dodge Charger 2.2. The Omni/Horizon drag raced Ford Escort, and Charger beat Firebird Trans Am and Chevrolet Camaro Z28 in a similar race.

Dodge trucks continued with the "Ram tough" theme and kept Walt Garrison as spokesman, although they fell into the rebate mode in June, offering rebates of $300 to $1,000.

The captive imports also kept their "master car builders of Japan" theme, but Plymouth changed the name for its subcompact import, Champ, to Colt partially because the Champ name had poor recognition among consumers.

Particular regions began to get specific attention from Chrysler in the fall. A "Texas truck" promotion was mounted in that state. In California, the captive imports and Shelby Charger, a tweaked version of the Omni coupe, got added attention.

On the consumer side, price freezes at Chrysler and other companies on '83 models made '82 models hard to clear out at the end of the summer. Chrysler introduced rebates of $300 to $600 on most '82 leftover models in November.

The first set of commercials from BBDO for Dodge broke this February identifying the Dodge 600 family sedan as a big car with small-car features (gas mileage, etc.).

Later in the winter, Chrysler latched onto shared car sponsorship on United States Football League telecasts with a deal that included ESPN and ABC use of Iacocca spots for the Statue of Liberty, Ellis Island Foundation. Chevy objected to Mr. Iacocca appearing in spots during the games it was sponsoring and offered to make non-Iacocca public service spots for the foundation. Mr. Iacocca, chairman of the foundation, refused that offer. The stalemate was never resolved.

Chrysler didn't try to keep many secrets about upcoming models for the '84 model year. A sports car, Chrysler Laser and Dodge Daytona, was scheduled for fall introduction and a "garageable van" known as the Plymouth Voyager and Dodge Caravan were due. Models slated for 1985 include the "H-car" aimed at the Honda Accord and a reskinning for the K-cars Reliant and Aries. The company will eventually build its own compact pickup truck. On the captive import side, a Chrysler version of the Mitsubishi Starion, a turbocharged sporty car, is scheduled for the fall introduction period as an '84 model.

Mr. Campana was looking to new models to help build images for Dodge and Plymouth during the '84 model year. Chrysler and Dodge truck images were set already, he noted.

Up at Highland Park, Ralph A. Sarotte became director-product marketing plans and William R. Coley became manager of corporate merchandising in the Campana regime. Additional marketing personnel changes included Arthur Kesteloot to C-P national ad manager, from vp and management supervisor, J. Walter Thompson, Dearborn, Mich.; Joseph Cronin to Dodge national ad manager from Dodge ad manager; John Damoose became Dodge merchandising manager from merchandising director and Ed Fleming became C-P merchandising manager from manager-marketing plans.

Chrysler's Canadian operations recovered from a market share slide in 1981. Chrysler car sales in Canada rose to 105,264 in 1982 from 103,031, giving the company a 15.4% share, up from 12.9% in 1981. Truck sales fell to 21,328 from 29,463 but truck market share still increased to 12.1% from 10.7%.

Chrysler de Mexico suffered from three peso devaluations, reporting a loss of $69.3 million in 1982 compared with a profit of $19.2 million the year before. Earnings in other international operations dropped to $10.7 million in 1982 from $37 million in 1981.

In the fall, Chrysler bought ABKO Properties for $119.1 million, regaining control of more than 400 dealerships. The dealerships had been controlled by a wholly-owned subsidiary, Chrysler Realty Corp., before they were sold in 1979.

Chrysler also bought a Volkswagen-owned plant (for Rabbit production) in Sterling Heights, Mich., which Chrysler will use to build compact H-cars for 1985 introduction.

Ralph Gray

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$29,600,000	$30,955,700
Magazines	25,582,200	25,197,200
Farm publications	733,500	864,000
Spot tv	23,538,900	17,430,600
Network tv	68,219,500	54,874,400
Spot radio	11,997,200	50,760,500
Network radio	2,919,300	2,084,800
Outdoor	874,700	152,800
Total measured	163,465,300	182,320,000
Unmeasured	9,556,100	10,680,000
Estimated total	173,021,400	193,000,000

U.S. AUTOMOTIVE SALES GROUP

Marketing Personnel

B.E. Bidwell, exec vp-sales & mktg
E.T. Pappert, vp-U.S. auto sales
J.A. Campana, vp-mktg
T.R. Cunningham, genl sales mgr
G.J. Giocondi, genl mgr-services and parts
D.L. Davis, genl mgr, import operations
P.J. Keegan, genl mgr, truck operations
H.L. Barton, genl mgr, fleet operations
J.N. Caddell, genl mktg mgr-Dodge
A.C. Liebler, genl mktg mgr-Chrysler/Plymouth
J.J. Cronin, adv mgr-Dodge car and truck
A.C. Kesteloot, adv mgr-Dodge car and truck
J.L. Hickey, corp adv mgr
C.J. Stickford, import adv mgr
W.R. Coley, corp merch mgr
J.B. Damoose, natl merch mgr-Dodge
E.J. Fleming, natl merch mgr-Chrysler/Plymouth
B.F. Mullins, director, sales and mktg pr

Advertising Agencies

Kenyon & Eckhardt Advertising—Leo Arthur Kelmenson, pres & ceo, K&E Holdings Inc.; Ron DeLuca, exec vp, K&E Holdings Inc.; John Balson, pres & ceo, K&E Advertising, USA.

Detroit—John J. Morrissey, chairman, K&E Advertising, USA; Peter S.P. Dimsey, exec vp, genl mgr; Bruce P. Andrews, senior vp, admin genl mgr; James R. Heekin, senior vp, mgmt super, Chrysler corporate, Plymouth; William J. Shea, vp, acct super, Chrysler corporate; Bruce Butzier, vp, acct super, Plymouth; Lynn H. Vernon, senior vp, mgmt super, Chrysler; Jeffrey Jacobs, vp, acct super, Chrysler; John P. Hickey, senior vp, mgmt super, Chrysler/Plymouth dealer assns; Walter E. Dunne, senior vp, mgmt super, Marine, Service & Parts, Fleet & Lease, Diversified Operations, Interparts, International, Performance Parts, Chrysler Learning Centers; Phil Matz, senior vp, media director; Elton Kruger, senior vp, director of media planning; Dwight Davis, senior vp, creative director, Brian E. Palmer, vp forward planning, research & prod info.

New York—Ken Duskin, senior vp, creative director; William Tenebruso, senior vp, director corporate media services; Alan Goldin, senior vp, group media planning director; Arnold Kusnetz, senior vp, director of rsch; Don Grant, vp, director-pr.

Los Angeles—Victor Olesen, exec vp; Eric Davison, senior vp, mgmt super, Chrysler Imports, West Coast CPDA; Mark Curran, vp, acct super, Imports; Joe Sollish, vp, creative director; Irwin Davis, vp, media director.

Clorox Co.

	1982	1981
Sales	$867,141,000	$714,823,000
Earnings	45,120,000	38,083,000
Advertising*	76,285,600	80,761,000

*AA estimate

Clorox Co., Oakland, Cal., the 72nd largest advertiser, decreased ad spending in 1982 to $76.3 million from $80.8 million in 1981.

The company's earnings for the fiscal year ending June 30, 1982, rose 18% to $45.1 million from a 1981 level of $38.1 million. Corporate sales totaled $867.1 million, up 21% from last year's $714 million.

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In 1982, Clorox continued the course it has followed since 1969, when it became independent from its short-term parent, Procter & Gamble.

It has been attempting to transform itself from a company dependent on a single product into a broad-based consumer products marketer along the lines of its former parent. It has been pursuing diversification through acquisitions and inhouse research and development of new products.

In 1981, Clorox acquired Comerco Inc., Tacoma, Wash., marketer of Olympic and Carver Tripp paints and stains. In 1982, it furthered its stake in the $4 billion (wholesale) architectural coatings business by acquiring U.S. marketing rights to DuPont's Lucite consumer paints. The move puts Clorox into the interior segment of the paint market for the first time and places it firmly in the hotly competitive "do-it-yourself" segment of the market dominated by Sears, Roebuck & Co. The company also faces strong competition from Sherwin-Williams, Glidden and Pittsburgh Paints.

The Lucite acquisition gives Clorox a firm position in the moderate-price portion of the market and will likely strengthen efforts to build distribution of Olympic paints and stains into mass-merchandise outlets. Lucite currently holds a 5% share of the interior paint market and a 3% to 5% share of the exterior business. Higher-price Olympic has a similar share of the exterior paint market, but commands a 40% share of the $200 million-to-$250 million exterior stain business.

But 1981 and early 1982 weren't easy for Clorox's Olympic division by any means. The drastic decline in housing starts, high interest rates and a slowdown in housing resales in many areas of the country hurt the business. To cope, management instituted programs to cut transportation costs and increase efficiencies. Until the economy improves substantially, volume is expected to remain depressed.

The backbone of Clorox's operation —indeed 70% of total sales—is its household products business. Shipments of U.S. household grocery products were ahead for the 11th consecutive year and achieved a record in fiscal 1982. The company continued its new product push.

Among new products it's testing: Wave, an all-fabric dry bleach; Fresh Step, an odor-controlling cat litter; Clorox Fresh Scent, an herbal-scented version of its chlorine liquid bleach; a reduced-odor version of Tilex instant mildew stain remover, and a bottled version of its Hidden Valley Ranch salad dressing.

While the company has been riding high on the successes of new products such as Tilex instant mildew stain remover and Clorox Pre-Wash, bleach sales still dominate.

Clorox executives point out that the company is making progress in building its nonbleach businesses, stating that bleach (both liquid and dry) accounts for less than 50% of total earnings from established brands. Clorox is estimated to have a slightly less than 60% share of the U.S. bleach business.

While the company continues to plot its nonbleach course, it is ironically facing a challenge from P&G in its core business. Since 1981, P&G has been testing Vibrant, a dry bleach that some say has the power to make chlorine liquid bleach obsolete.

Clorox's Wave, testing in Nashville, Oklahoma City and Louisville (the product was earlier taken out of Bakersfield, Cal.), is its answer to the potential Vibrant threat. Like Vibrant, Wave is also positioned as a heavy-duty bleach able to provide the whitening power of chlorine liquid with the safety of a dry. Clorox executives—at least in public—play down the significance of the Vibrant launch, arguing it is not the technological breakthrough P&G claims. And, say Clorox executives, the fact that both companies are out with products positioned identically simply reflects that there currently is a gap in the marketplace that isn't being filled.

While Clorox may have much of its energies focused on building its businesses outside bleach, its new test product, Fresh Scent, the reduced-odor version of Clorox liquid, shows the company definitely intends to maintain its leadership position in the $500 million bleach business (at retail). Last year in an interview, Clorox group vp Jack Collins noted that despite bleach's currently sluggish 2% annual growth rate, he believes there is a sizable untapped potential market for Clorox liquid among the 75% of the U.S. population that doesn't use chlorine bleach.

As Clorox was taking growth steps, it also got rid of aspects of its business it concluded did not fit into over-all strategy. In 1982, it discontinued marketing Duraflame firelogs, a product acquired in 1978. Clorox executives put the blame for Duraflame's demise on the sorry state of the firelog business, which had been plummeting at a staggering 20% to 25% annual clip, because of substantial price hikes resulting from escalating costs.

Clorox also withdrew from the United Kingdom, selling its only brand there, Twice As Fresh air freshener, to Reckett & Colman

Monitor Products, a small cabinetry operation that was part of the Comerco acquisition, also was sold during the year.

Management changes during the year: President Calvin S. Hatch, 61, was elected chairman, effective July 1, 1982; he continues as chief executive officer. Mr. Hatch succeeded Robert B. Shetterly, 67, who retired as chairman, but continues as a director. Executive vp C.R. Weaver, 53, was elected president and chief operating officer, also effective, July 1. In addition, four new officers were elected: David G. Koncelik, controller; Donald C. Murray, vp-Latin America and Asia; Ralph C. Richter, vp-international division, and G. Roger Victor, vp-Olympic stain division.

Clorox made several agency changes during the year. The company assigned its Liquid Plum'r, Clorox Pre-Wash and Kingsford charcoal advertising to Needham, Harper & Steers/USA, Chicago, succeeding Ketchum Advertising, San Francisco. In addition, Clorox shifted its Litter Green cat box filler account, also previously at Ketchum, to Young & Rubicam, San Francisco. Sources say that before the split the company's relationship with Ketchum had been deteriorating for years.

Earlier, Young & Rubicam, San Francisco, was appointed to handle the Olympic paint & stain division previously at Kraft Smith, Seattle. Kraft Smith had handled Olympic before Clorox takeover of the Bellevue, Wash-based paint and stain company in 1981.

Clorox also reassigned its food service products division, shifting its account from Marx/David, San Francisco, to Foote, Cone & Belding/-Honig, San Francisco. Marx/David closed its San Francisco office as a result of the account loss.

Over-all, Clorox reduced its advertising expenditures slightly during the year, primarily through decreases in spot and network tv spending. The company did increase its outlays in newspapers, magazines and outdoor.

Jennifer Pendleton

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$373,700	$1,023,700
Magazines	7,930,500	5,670,200
Spot tv	7,325,300	7,551,500
Network tv	47,359,400	49,687,600
Spot radio	—	16,200
Network radio	470,000	1,109,700
Outdoor	36,300	11,600
Total measured	63,495,200	65,070,500
Unmeasured	12,790,400	15,690,500
Estimated Total	76,285,600	80,761,000

Marketing Personnel

Calvin Hatch, chairman/ceo
C.R. Weaver, president/coo
John W. Collins, group vp
R.C. Richter, vp, Olympic Stain div
W.E. Lynn, genl mgr, Kingsford div
G.C. Sullivan, vp-foodservice prods div
M.R. Gallagher, vp, household prods div
David L. Goodman, vp-public affairs and mktg services
M.A. Perry, adv. mgr., Kingsford div
K.S. Koelman, director-mktg, Clorox foodservice prods div
J. Johnson, mktg mgr., Olympic stain div
R.H. Bolte, director, media operations

Advertising Agencies

Foote, Cone & Belding/Honig, San Francisco—Clorox bleach, Clorox 2, Formula 409, Soft Scrub, Twice As Fresh, Tilex—J.B. Balousek, mgmt super.

Needham, Harper & Steers/USA, Chicago — Clorox Pre-Wash, Liquid Plum'r and Kingsford charcoal—S. Sharpe, mgmt super.

Young & Rubicam, San Francisco—Match Light, Salad Crispins, Kitchen Bouquet, Fresh Step, Hidden Valley Ranch salad dressing, Litter Green, Olympic paints and Carver Tripp interior stains—S. Hallberg, mgmt super.

Ogilvy & Mather, San Francisco—Emil Villa Barbecue restaurants—Margaret Lane, acct exec.

Foote, Cone & Belding/Honig, San Francisco—all Clorox foodservice products except Moore's frozen foods—R.E. Blomquist, mgmt super.

Scott, Inc., Milwaukee—Moore's frozen foods—C. Reynolds, mgmt super.

Coca-Cola Co.

	1982*	1981
Sales	$6,249,718,000	$5,889,835,000
Earnings	512,232,000	481,782,000
Advertising**	255,325,600	197,831,700

*AA estimate

Coca-Cola Co., Atlanta, the 20th largest national advertiser, boosted its ad spending to an estimated $255.3 million in 1982, an increase of 29.1% from the previous year.

Net sales for the company were up 6.1% to $6.2 billion, while net income was up 6.3% to $512.2 million.

Although Coca-Cola purchased a theatrical hat (by buying Columbia Pictures Industries in June, 1982) and found it a remarkably good fit, its main order of business continues to be in soft drinks.

Soft drinks, accounting for 72% of all sales and 85% of income at Coca-Cola in 1982, decreased 3.6% in sales to $4.52 billion and increased 11% in earnings to $893.2 million for the year.

Net sales of the nonsoft-drink products, including the food and wine division, were $1.3 billion, up slightly from $1.2 billion from 1981. Entertainment, Coca-Cola's other sector, had revenues of $457 million in 1982, its first year under the Coca-Cola banner.

The most significant development in 1982 was its entry into the entertainment arena with the purchase of Columbia Pictures Industries for approximately $692 million.

It was chairman Roberto C. Goizueta's first major acquisition, and there were mixed reactions from industry analysts. Mr. Goizueta, however, had his eye on the passive leisure time industry in the U.S., estimated to be worth around $80 billion. And, subsequently, hesitations were dispelled as Columbia came out with such winners as "Tootsie," "Gandhi" and "The Toy," all Christmas releases whose combined box office revenues set a new Columbia record for a single week.

Another significant development was the introduction of Diet Coke, the first time another Coke beverage has carried the Coke name since John S. Pemberton founded the company in 1886. The new product was promoted with a hefty ad budget of some $50 million.

The introduction of Diet Coke also has generated talk that the new low-calorie drink would cannibalize Tab, Coca-Cola's sugar-free cola. The word is still out on that, although Coke claims the positioning and markets for the two products are different.

Another major 1982 development was the new advertising for Coke. The "Coke is it!" campaign, introduced in February, is, says the company "the most successful advertising campaign ever developed for Coca-Cola." Measured media advertiser figures show spending for Coke in 1982 was up 5%, from $38.3 million to $40 million, mostly in spot and network tv.

By the end of the year, according to Manny Goldman, beverage analyst with Montgomery Securities in San Francisco, Coke's domestic market share was 25.6%, slightly up from the year before, and Pepsi's was 19.1%, a slight drop. Coca-Cola's soft-drink brands' market share as a whole was up to 37.3% compared with PepsiCo's 26.1%. Tab continues to hold No. 1 position in diet products worldwide, and No. 5 on the *Beverage Industry* roster of soft drinks in the U.S. with a 3.8% market share. Diet Pepsi holds a 2.9% share on the chart. Ad spending for Tab increased 20%, to $18 million in 1982, mostly in network and spot tv.

More recently, this August, Coca-Cola announced its intention of using the recently approved artificial sweetener aspartame in its diet soft drinks. By the fall, there are indications that both diet Coke and Tab will be on sale featuring the new sweetener, popular because of its lack of aftertaste.

Last year, Sprite, Coca-Cola's lemon-lime product, slipped past PepsiCo's Mountain Dew to regain its No. 6 position on the *Beverage Industry* list. Ad spending for Sprite was $12.9 million, slightly up from the year before.

Although the company indicated that Ramblin' Root Beer and Mello Yello made "impressive gains," ad spending for both dropped from 1981. Ramblin' got $889,000, less 20%, and Mello Yello got $1.9 million, down 30% from year-earlier figures.

Ad spending for sugar-free Fresca was $624,000, off 83% from 1981, and the third year in a row ad support has plummeted.

After the soft-drink category, citrus is the company's biggest money-maker. Coca-Cola is the largest producer and marketer of citrus in the world. Despite the January freeze that damaged the Florida citrus crop, last year was

Leonard J. Greene
designer

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the best in the 15-year history of the division, included in the company's Food and Wine Group. The division includes citrus and fruit juices sold under the Minute Maid, Snow Crop, Five Alive and Hi-C labels and coffee and tea under the Maryland Club and Butter-Nut labels.

Over-all unit sales for the frozen products were up 7% and chilled products 3%. Ad spending for Minute Maid products was down 12%, to $14 million. New products in 1982 included frozen concentrate orange juice with more pulp and testing of reduced acid orange juice, introduced nationally this January.

According to the company, Minute Maid lemonade was the market leader within its category. Ad spending for the product was up 43% to $706,000. Snow Crop Five Alive, introduced nationally in 1979, remains the No. 2 seller in frozen products, after Minute Maid frozen concentrate orange juice. Ad spending was way down, however, to $2.9 million from $8.2 million in 1981.

Ad spending for the Hi-C products decreased 24%, to $2.5 million in 1982. To boost sales, the company began this January to package Hi-C in aseptic boxes.

Ronco Foods Co., a Memphis, Tenn.-based marketer of high-quality pasta products, was acquired last year, becoming Coca-Cola's first venture into marketing of solid foods.

The Wine Spectrum put in another excellent performance for the company, with a 17% increase in wine gallon sales despite stagnation in U.S. wine sales. Coca-Cola's Taylor California Cellars is the fastest-growing major brand in the history with a 30% increase in sales in 1982. This helped push Wine Spectrum a notch to No. 3 in volume production behind No. 2, United Vintners (Heublein) and No. 1, E&J Gallo.

Other developments in 1982 included the national introduction of light wines, and, more recently, the entry into the economy wine market with Vivante, a significant move that took the Wine Spectrum out of its area of concentration—the premium wine market.

Additional plans this year include the national entry of Taylor California Cellars Brut, Extra Dry and Pink Champagne.

Although Columbia Pictures Industries accounted for only 7% of total revenues for Coca-Cola, several feathers were stuck in this new hat over the past year. One, "Gandhi," cleaned up at the Academy Awards, winning eight—including best actor, best director and best picture, and "Tootsie" cleaned up at the box office. To date, "Tootsie" is Columbia Pictures' biggest grossing domestic release.

Other developments at Columbia include the November, 1982, formation of Tri-Star Pictures with Home Box Office and CBS, its successful entry into the videoarcade game market with a Mylstar product called "Q*bert," and its additional joint venture with RCA to distribute videocassettes and discs domestically.

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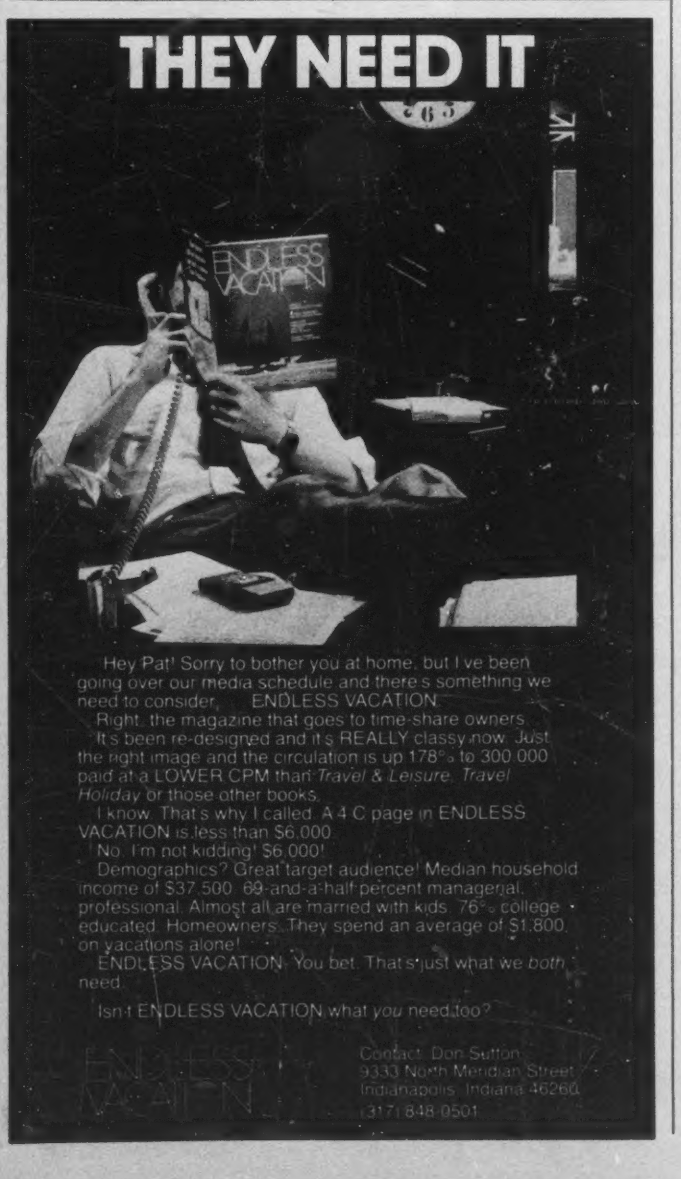
(312) 781-0043



THEY NEED IT

Hey Pat! Sorry to bother you at home, but I've been going over our media schedule and there's something we need to consider. ENDLESS VACATION.

Right, the magazine that goes to time-share owners.

It's been re-designed and it's REALLY classy now. Just the right image and the circulation is up 178% to 300,000 paid at a LOWER CPM than *Travel & Leisure*, *Travel Holiday* or those other books.

I know. That's why I called. A 4-C page in ENDLESS VACATION is less than $6,000.

No, I'm not kidding! $6,000!

Demographics? Great target audience! Median household income of $37,500. 69-and-a-half percent managerial, professional. Almost all are married with kids. 76% college educated. Homeowners. They spend an average of $1,800 on vacations alone!

ENDLESS VACATION. You bet. That's just what we *both* need.

Isn't ENDLESS VACATION what *you* need too?

ENDLESS VACATION

Contact: Don Sutton
9333 North Meridian Street
Indianapolis, Indiana 46260
(317) 848-0501

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$4,424,500	$4,576,000
Magazines	5,762,700	5,524,100
Spot tv	59,311,300	47,758,900
Network tv	87,208,500	61,023,500
Spot radio	14,185,300	12,480,500
Network radio	124,600	681,100
Outdoor	3,189,400	2,878,000
Total measured	174,206,300	134,922,100
Unmeasured	81,119,300	62,909,600
Estimated total	255,325,600	197,831,700

COCA-COLA USA

Marketing Personnel

Brian G. Dyson, president, Coca-Cola USA and senior vp, Coca-Cola Co.
Allen A. McCusker, senior vp, mktg operations, Coca-Cola USA
Albert E. Davis, vp, new prods, Coca-Cola USA
Clare Bisceglia, director, adv & prod services, Coca-Cola USA
Charlotte Weissenberger, director, media services, Coca-Cola USA
Daniel O. Haas, mgr, promo services, Coca-Cola USA

Advertising Agencies

McCann-Erickson, Atlanta and New York—Coca-Cola, Fanta, Caffeine-Free Coca-Cola, TAB, Caffeine-Free TAB—(Atlanta): Ronald Sugarman, exec vp, McCann-Erickson Worldwide; Steve Bretschneider, senior vp, Coca-Cola USA; Wayne Thornhill, vp, Coca-Cola USA; Terry Fagan, vp and acct super, Coca-Cola USA; Bruce Hoster, senior acct exec, Coca-Cola USA; Patrick Garner, vp, mgmt super, TAB and Fanta, Coca-Cola USA; Cheryl Dunn, acct exec, Coca-Cola USA; (New York): Lawrence Glucs, vp, acct exec; Walter Trueman, senior vp.

Burrell Advertising, Chicago—Black consumer advertising—Tom Burrell, president; Sarah Burroughs, senior vp; Freida Curry, acct super; Keith Tunnel, vp.

Castor Spanish International, Inc., New York—Hispanic consumer advertising—Castor Fernandez, president; Arturo Andrade, exec vp.

Marschalk Co., New York—Sprite and Sugar Free Sprite, Mr. PiBB and Sugar Free Mr. PiBB—John Dooner, mgmt super; Mike Mainthow, acct super.

McDonald and Little, Atlanta—Fresca and Mello Yello—Ed Driestadt, acct super.

Kenyon and Eckhardt, New York—Ramblin' Root Beer and Sugar Free Ramblin' Root Beer—Tom McDonough, acct mgr, Ramblin'; Lois Homma, acct super; Chris Van Wagoner, acct exec; SSC&B, New York—Diet Coke and Caffeine-Free Diet Coke—Steve Norcia, exec vp; Rudy Bechtel, vp-mgmt super; John Fraser, acct super; Becky Broers, acct exec.

COLUMBIA PICTURES

Marketing Personnel

Marvin Antonowsky, president-mktg rsch
Stephen Kasloff, vp, & creative dir-adv
Randy Wicks, vp-dir, adv
Steve Randall, senior vp, rsch
Lenore Cantor, vp, rsch
Edward Roginski, senior vp, domestic publicity/promo
Sue Baton-Kirkland, vp, East Coast publicity
John Flinn, dir, industry relations
Kathy Orloff, vp, West Coast publicity/-promo
Richard Scott, dir, natl publicity
Paula Kelley, senior vp, media adv
Diane Charbanic, dir, media adv
Jack Friend, dir, co-op adv
John Spinka, dir of admin, adv/publicity

COLUMBIA PICTURES TELEVISION

Herman Rush, president
Doug Duitsman, vp-publicity and promo

COLUMBIA PICTURES TV DISTRIBUTION

Sherman Oaks, Cal.

Joseph Indelli, senior vp
Steve Astor, vp, adv & promo

COLUMBIA PICTURES MERCHANDISING

Lester Borden, vp, genl mgr

COLUMBIA PICTURES PUBLICATIONS

Hialeah, Fla.

Frank Hackinson, president

MYLSTAR ELECTRONICS,

Northlake, Ill.

Boyd W. Browne, president

EUE/SCREEN GEMS

New York

Steve Elliot, president
George Cooney, exec vp-genl mgr

Advertising Agencies

Ogilvy & Mather, Los Angeles—Mary Ellen Stoetzel, vp-mgmt super; Jules Fine, exec vp, dir of mktg services (New York).

Diener/Hauser/Bates, New York—Norman Trell, senior vp-acct super; Larry Friedman, acct exec-Los Angeles; Eugene B. Cofsky, president-West Coast div; Barry Orell, acct exec.

FOODS DIVISION

Marketing Personnel

Eugene V. Amoroso, president and ceo
Clinton E. Owens, senior vp, mktg
Thomas C. Cleveland, senior vp, coffee and foodservice
Timothy J. Haas, vp, consumer sales
John B. Weslar, vp, mktg
M.P. "John" Youngjohn, director orange juice mktg
Harry S. Robinson, dir beverage mktg
Normal N. Broadhust, director Hi-C Fruit Drinks
Mallory Campbell, dir mktg services

Advertising Agency

Marschalk, New York and Houston—All foods division consumer and foodservice products—Dick Villante, exec vp, Minute Maid juice and ades; John Oliver, senior vp/mgmt services dir, Minute Maid juices and ades; Scott Smith, acct super, Minute Maid orange juice; Bob Shea, vp/acct super, Minute Maid variety prods; Barry Linsky, exec vp, Hi-C prods, Five Alive, Bright & Early, new prods; Gary De Paulo, senior vp/mgmt service dir, Five Alive; Ken Roffe, senior vp/new prods dir; Eric Einhorn, vp/mgmt super, Hi-C; Douglas Wise, senior vp/Houston, Maryland Club and Butter-Nut coffees, all foodservice prods.

THE WINE SPECTRUM

Marketing Personnel

Harry E. Teasley Jr., president
Michael V. Cheek, vp, sales
William E. Culhane, vp, natl field sales
Pierre U. Ferrari, vp, mgr of Imports
Steven B. Gold, secretary and genl counsel
Thomas H. Muller Jr., vp, finance and operations
Richard G. Peterson, vp, technical dir
Charles R. Stelter, vp, personnel and admin
Wesley M. Thompson, vp, mktg

Advertising Agency

Kenyon & Eckhardt, New York—James F. Brandhorst, senior vp, director- acct services; Thomas F. McDonough, senior vp, mgmt rep; Lois A. Homma, vp, acct super; Chris Van Wagoner, acct exec.

Colgate-Palmolive Co.

	1982	1981
Sales	$4,887,995,000	$5,261,364,000
Earnings	196,910,000	208,399,000
Advertising*	268,000,000	260,000,000

*AA estimate

Colgate-Palmolive Co., New York, the nation's 18th largest advertiser, increased advertising spending to $268 million in 1982, a jump of 3% from $260 million in 1981. The increase in advertising at the company, which revamped top management in early 1983, came on the strength of national and international brand expansion and new products.

Sales in 1982 were $4.89 billion, down 7% from the previous year (and a drop from 1980 levels, as well). Earnings were also down during the year, dropping 6% from 1981 to $196.9 million.

Standard & Poor's reported that Colgate, as with many companies with extensive overseas interests, was "penalized by the decline in the value of foreign currencies against the U.S. dollar." Excluding the adverse effects of foreign currency exchange rates, sales would have increased by 9%. S&P reported that foreign business accounted for 58% of Colgate's 1982 sales and 57% of profits.

In the U.S., Colgate reported a 6% volume drop in its household and personal care sector and a drop in its food sector; hospital products volume increased by nearly 2%. The company's specialty consumer sector recorded an 8% gain.

Early this year, Reuben Mark, 44, was named president and chief operating officer with responsibility for worldwide operations. William Powell, 45, became senior executive vp and chief development officer. Mr. Powell directs strategic planning, business development planning, research, manufacturing, engineering, export operations and special markets.

Keith Crane, 61, who was president, assumed the newly created post of chairman and chief executive officer. Mr. Crane, who is responsible for major corporate policy issues, had assumed leadership of Colgate in 1979 and is credited with redirecting corporate strategy from sports/apparel businesses toward the company's traditional base—personal care and household products.

Executive vp Roderick Turner assumed more operational duties, and William Shanahan, J. Dale Sherratt and John Watkins, who had been group vps, became members of Colgate's operating committee. Messrs. Shanahan, Sherratt, Watkins and senior vp Silas Ford also were named corporate officers.

"This is a key watershed period for them," said Jack Salzman, an industry analyst at Smith Barney Harris Upham & Co. "Over the next 12 to 18 months, it is 'put up or shut up.' "

Mr. Salzman said Colgate realigned management, increased marketing expenditure, put its balance sheet in order and now has plenty of cash. "They're ready to do something exciting—and if this changed management cannot come up with an impressive products effort, they may never," he said.

Standard & Poor's reported that household and personal care products accounted for 71% of sales and 55% of profits; food, 10% of sales and 13% of profits, and specialty consumer products, 4% of sales and 11% of profits in 1982.

Last year, Colgate introduced 52 new products in 26 countries; 153 products were revitalized or relaunched in 41 countries. Colgate also overhauled its management "along the lines of similarity of market served, as opposed to strict geographical areas," the company said. Also, former "general management personnel" from overseas operations were reassigned to the business development group.

A large chunk of the company's advertising goes to support its toothpaste brands. Colgate, with a share of about 21% in cases, is No. 2 in the market. Though Procter & Gamble and its Crest continue to hold a commanding lead in the market (38% share), Colgate has managed to gain a slightly larger increment for itself.

In 1982, Colgate spent $32.4 million in measured media last year to advertise its toothpaste brands, which comprise Colgate, Colgate winterfresh gel and Ultra Brite, compared with $30.2 million in 1981. Of the total, the overwhelming bulk, $25.9 million, went to support the gel, part of an active market segment in the past few years. Ultra Brite, which has been losing its share of the market, saw its support drop to $4.5 million, down from $4.8 million in 1981.

Another toothcare product, Fluorigard Dental Rinse, got $1.1 million in ad backing, up from less than $500,000 the previous year and still below the $3.5 million three years previous.

Among its laundry detergent products, Colgate beefed up ad support for Fresh Start and developed what it called "major campaigns" for Fab. Fresh Start, a concentrated detergent with a market share just under 3% in cases, received $16.7 million in measured media spending, up from $14.3 million in 1981. Fab, holding a market share just over 3% in cases, received $1.4 million for its product, which now has a fabric softener in it.

Ajax laundry detergent received a new formula and package, as did Dynamo, a liquid laundry detergent with a 2% market share. Dynamo's reformulation was supported by a $5.8 million spot television campaign, up from $4.3 million in 1981. Cold Power powder detergent maintained a 1% share of market.

In the dishwashing detergent category, Madge the Manicurist (Jan Miner) continued as spokeswoman for Palmolive liquid. The brand, holding an 11.8% market share, received $10.7 million in measured media support in 1982, up from $8.2 million the previous year.

Another dishwashing liquid, Ajax, with a 3.5% market share, also received increased ad support in 1982—$4.4 million, up from $1.6 million the previous year. Dermassage dishwashing liquid with 2% share of market received minimal support of $1.1 million.

In the toilet soap category, Colgate supported its Irish Spring with $7.5 million in advertising, up from $6.8 million in 1981. The deodorant soap holds a 4% share of the market.

Among other products, Colgate made Curad bandages more flexible and supported them with a $5.9 million magazine ad campaign, up from the $2 million allocated in 1981.

Colgate reported a 17% increase in spending for research and development and a 30% increase in capital expenditure. To ensure proper product quality, Colgate said it is sending task

100

forces to manufacturing plants throughout the world to "implement improved formulas," emphasizing dentifrices and toilet soaps.

Also during the year, Colgate sold Joseph Terry & Sons to United Biscuits Ltd. for a reported $46 million.

Meanwhile, Colgate said its sales force late last year began preparations for "the major reintroductions" of "four important core products": Dynamo Action Plus, lemon-scented Ajax all-purpose cleaner, thick lather Colgate shave cream and Curad flexible bandages.

Also, the company claimed its Ajax all-purpose cleaner was successfully relaunched in its overseas market. The product got improved formulation, modernized packaging and added advertising support.

Mark Liff

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$2,582,500	$3,712,100
Magazines	7,208,900	9,394,300
Farm publications	216,300	—
Spot tv	23,919,900	22,263,700
Network tv	59,653,900	61,023,500
Spot radio	4,300,900	5,908,500
Outdoor	6,600	42,900
Total measured	97,889,000	88,920,300
Unmeasured	170,111,000	171,079,700
Estimated Total	268,000,000	260,000,000

COLGATE-PALMOLIVE COMPANY

Corporate Personnel

Keith Crane, chairman-ceo
Reuben Mark, president-chief operating officer
William W. Powell, senior vp, chief devel officer
William S. Shanahan, group vp

U.S. MARKETING

Marketing Personnel

A. Courtenay Shepard, vp-genl mgr
A. Allen, vp-creative services
David Enfield, director-mktg, regular prods
Tony DeNisco, director-mktg, regular prods
K. Thornhill, J. Benfield, L. Deming, E. Wallin, S. Fogarty, M. Jennings, category mgrs
T. Holtan, R. Srednicki—group mgrs

Advertising Agencies

Ted Bates Advertising, New York—Colgate toothpaste, Palmolive liquid, Dynamo detergent, Palmolive Rapid Shave—Roger Pisani, exec vp; Geoffrey L. Clarkson, Ila Feld, senior vps-mgmt reps; Lucy Kennedy, David Watson, Diana Tompkins, acct supers; Tom Banks, Sam Tornabene, Bob Svete, Bonnie Perkel, acct execs.

William Esty Co., New York-Irish Spring soap, Ultra Brite toothpaste, Fab detergent, Ajax cleaning aids, new prods, corporate—Andrew Allen, senior vp-mgmt super; Leon Kreger, acct group super; Colleen Gowl, acct group super; Sandra McCarthy, acct super; Stephen Doyle, acct super; Sheldon Woodbury, Lisa Partrick, Barbara Ryan, acct execs.

Kenyon & Eckhardt, New York—Fresh Start detergent, Curad bandages, Dermassage dishwashing liquid, Fluorigard dental rinse, new products—John Horne, senior vp, genl mgmt; Tom McDonouh, vp-mgmt super; Dennis Zolnierzak, vp-acct supers; Tom Lentz, vp-acct supers; Babara Lawrence, Mary Penrose, acct execs.

North Castle Partners, Greenwich Conn. —special projects—Charles Taney, senior partner and mgmt super; Warren Dobbs, acct super; Susan Joyce, acct exec.

Siboney, Carol Gables, Fla.—Hispanic adv for Colgate toothpaste, Fresh Start, Fab, Palmolive Dishwashing Liquid, Palmolive Soap, Irish Spring, Ajax dishwashing liquid, Ajax All Purpose cleaner, Ajax cleanser—Gary McBride, acct super, all prods; Larry Jones, senior acct exec, Colgate toothpaste, Fab, Palmolive dishwashing liquid, Palmolive soap; Mili Rothman, acct exec, Fresh Start, Irish Spring, Ajax cleanser, Ajax dishwashing liquid, Ajax All Purpose cleaner.

SPORTS & RECREATION DIVISION

Marketing Personnel

J.E. Grimm III, vp-genl mgr

BIKE ATHLETIC

Marketing Personnel

J.M. Axford, president
J. Corbett, mktg mgr

ETONIC INC.

Marketing Personnel

S.D. Tannen, president
J.R. Larsen, vp-mktg

Advertising Agencies

Lavidge & Associates, Knoxville, Tenn.—Bike Athletic—Hal Ernst, acct exec.

Creamer Inc., Providence, R.I.—Etonic—Guy Corcoran, vp.

KENDALL CO.

Marketing Personnel

J.D. Sherratt, president
R.A. Murray, genl mgr adv and prom

HOSPITAL DIVISION

T.E. Tierney, group vp
M.B. Cogbill, vp
K. Wester, adv mgr

Advertising Agency

Ingalls Associates, Boston—media—Linda McDonald, acct exec, Becky Holt, acct coordinator.

Rizzo, Simons & Cohn Inc.—creative—Phil Matthews, acct exec.

INDUSTRIAL DIVISION

F.J. Zeitvogel, group vp
R.R. Champagne, vp-industrial
J.H. Jacobsmeyer, vp-fabrics
R.C. Gockelma, director business devel
D. Battelle, adv mgr

Advertising Agency

Ingalls Associates—Linda McDonald, acct exec.

CONSUMER DIVISION

E.E. Hinds, vp
D. Battelle, adv mgr

Advertising Agency

Humphrey Browning, MacDougall, Boston—Curity diapers, baby clothing—Mike Lannon, acct mgr, Rick Britton, acct supv.

INTERNATIONAL DIVISION

C.P. Bruen, vp

TOP 25
Newspaper advertisers

Rank	Advertiser	Expenditures (in thousands) 1982	1981
1	R.J. Reynolds Industries	$123,174.8	$142,344.7
2	General Motors Corp.	86,965.2	65,502.1
3	Philip Morris Inc.	53,793.8	90,602.7
4	Ford Motor Co.	45,582.6	31,989.7
5	Batus Inc.	42,893.6	45,909.6
6	AT&T Co.	34,467.2	31,530.6
7	Chrysler Corp.	29,597.5	30,955.7
8	RCA Corp.	28,273.3	29,536.9
9	Delta Air Lines	24,664.6	21,653.1
10	Pan American	24,077.7	17,984.3
11	Loews Corp.	22,645.6	49,581.3
12	Eastern Air Lines	21,525.4	23,670.8
13	Time Inc.	20,186.7	17,825.3
14	Trans World Corp.	19,857.3	17,364.1
15	Warner Communications	18,575.6	13,574.8
16	AMR Corp.	18,313.0	30,068.1
17	Volkswagen of America	16,025.3	8,982.8
18	CBS Inc.	15,917.7	15,927.6
19	Toyota Motor Corp.	15,611.1	11,229.1
20	American Express Co.	11,848.5	6,425.6
21	Texas Air Corp.	10,574.9	7,631.2
22	American Broadcasting Cos.	10,299.3	10,779.3
23	Seagram Co. Ltd.	9,881.3	12,788.2
24	Nissan Motor Corp.	9,742.8	8,834.8
25	U.S. Government	9,633.6	8,798.8

Source: Media Records Inc.

PRINCESS HOUSE

Marketing Personnel

John Galazin, vp-sales and mktg
Betty Bowes, director-mktg
Margaret Krome, senior prod mgr

Advertising Agency

Leonard Monahan & Saabye—Cathy Ottaviano, acct super.

RIVIANA FOODS

Marketing Personnel

F.A. Godchaux III, ceo
Joseph A. Hafner Jr., president
R.E. West, exec vp-sales and mktg. Riviana rice Rice USA
C.L. Haines, asst vp-mktg, Riviana rice USA
Richard L. Carte, DVM, vp-pet prod mktg, Hill's
Donn Harling, dir of prof mktg, Hill's
James C. Humphrey, vp-pet chemicals div
James L. Means, dir of mktg-cons, products, Hill's

Advertising Agencies

Bloom Agency, Dallas—Riviana rice, Paul Decker, acct exec, Riviana rice Bill Oakey, acct exec, Holiday.

Harmon Smith Advertising, Kansas City —Hill's—Gary Maughan, acct exec

ASSOCIATED PRODUCTS

L. Karl Hollering, vp-genl mgr
A.P. Chadourne, director Sterno Maxwell-Phillip business entity
W.R. Voothees, director industrial and institutional business entity
P.F. Manzione, director military business entity

Advertising Agencies

Stern Walters/Earle Ludgin, Chicago—industrial, institutional, Sterno—W.J. Lowney, president; C. Beazley, acct super.

Albert J. Rosenthal & Co.—military—A. Becker, acct super.

Consolidated Foods Corp.

	1982	1981
Sales	$6,600,000,000*	$6,039,276,000**
Earnings	171,000,000	156,737,000
Advertising	178,006,900	166,399,700

*Company estimate for fiscal 1983 ended June 30, 1983
**Fiscal year ended July 3, 1982

Consolidated Foods Corp., Chicago, the nation's 34th largest national advertiser, spent an estimated $178 million on advertising in 1982, a 7% increase over the previous year.

Sales for fiscal 1983, ended July 3, rose 10% to $6.6 billion. Earnings rose 9% to $171 million.

Consolidated, which began in 1941 as a small food wholesaler and now ranks among the top package goods companies as a result of diversification, continued to add new companies under its growing corporate umbrella when in January of this year it acquired Sav-A-Stop, Jacksonville, Fla., for an estimated $72 million. Sav-A-Stop is the nation's leading service merchandising distributor of health and beauty aids, housewares and other nonfood merchandise. The increased distribution capabilities represented by the addition of Sav-A-Stop augments those of the direct store delivery system Consolidated organized for distribution of its L'eggs hosiery lines.

In other acquisitions, Consolidated agreed in March, 1982, to acquire C&C Cola, Elmwood Park, N.J., from ITT Corp., making it a separate division of its Shasta Beverages unit. Streator, Ill.-based Illinois Fruit & Produce in April was added to the PYA/-Monarch foodservice distributor group, strengthening its Midwest presence.

Among Consolidated's various holdings, the Hanes group has become one of the core businesses. Its revenues during the fiscal year ended July 3, 1982, of $1.017 billion ranked third among all company divisions (behind the beverages and foodservice groups), but its pretax income of $74 million represented, for the first time, the largest contribution.

L'eggs Products is the group's most important business, contributing about one-third of the Hanes group's sales. It holds a 30% share in value of the $1.9 billion hosiery market, the company estimates.

Consolidated has responded by giving its L'eggs products the heaviest ad support among all its products—$19.6 million in measured media supporting the basic L'eggs pantyhose, with another $4 million backing assorted line extensions.

The Hanes hosiery brand, which dominates the department and specialty store segment of the market, also has been segmenting its product line. A mid-price Hanes Too! line was added in 1981 (1982 measured media support was $637,000). The Underalls line ($3.5 million in 1982 measured media), offering all-in-one panty and hose, expanded to include Slenderalls ($1.7 million in measured media) and Winteralls ($864,000 in measured media). The company debuted an eight-color line of Coloralls this summer.

Another new Hanes knitwear line, Showtoons (boys underwear featuring several popular cartoon characters), also was launched this year.

Hanes knitwear was the only unit advertising on cable tv in 1982. The company estimates cable expenditures at $88,000.

Consolidated attributes increased sales for its Bali undergarment line to the introduction of the Bali Boutique, a display rack system featuring product pictures on reclosable packages making it easier for women to select the proper size and fit. Bali, the No. 2 brand in the brassiere market, drew ad support of $3.9 million ($2.5 million in 1981), with 80% directed at tv.

The L'erin cosmetics line continued to be the Hanes group's troubled performer in 1982. Following aftertax losses in 1981 of $13 million, and continued (although reportedly lower) losses in 1982, the company sold the unit to Andrea Products Corp., New York, in August, for an undisclosed amount.

Criticism that L'erin lacked sharp focus (the mid-price product is targeted to women 18 to 39) seems valid, given its poor returns. Another criticism has been that Consolidated had failed to adequately promote the L'erin line. Measured media spending in 1982 for the cosmetics was $4.8 million. Higher-price brands, including Cover Girl and Maybelline, spent more than five times that figure.

Results in Consolidated's beverages group, meanwhile, have been mixed. Earnings contributions for the group slid 34% in fiscal 1982. Douwe Egberts, the Netherlands' largest coffee concern, saw its share of the Dutch market dip 5%. The company cited heavy advertising and marketing expenses, necessitated by increased competitive pressures, as a major reason for the depressed earnings.

Consolidated's Shasta operations, however, experienced solid growth with case sales of regular and diet Shasta up 5% in fiscal 1982. The brand's revamped advertising, themed "I wanna pop" and featuring a fast-paced, new wave graphic look and stressing taste and variety, helped boost sales and brand awareness. Network tv took measured ad expenditures of $3.4 million, a shift from 1981's emphasis on spot tv ($1.1 million in 1982). Packaging also was redesigned to feature a diagonal "S" logo and brighter colors. Also, with the additions of Citrus Mist and Red Berry, Shasta brought to 39 the number of flavors it offers.

Shasta Free (no-caffeine) cola rolled national in early 1983, and Dr. Diablo, a Dr Pepper-like soft drink, remained in test in Texas, Oklahoma and Louisiana.

The acquisition of C&C Cola gave Shasta penetration in the Northeast and in a product market where it had been weak. The brand, with sales of more than $40 million, drew $1 million in measured media advertising in 1982.

Capri Sun, a juice-based drink sold in single-serve portions in a flexible foil pouch, maintained its dominant market share as it spent $2 million in measured media.

An aggressive, all-out marketing effort was mustered for the company's Kitchens of Sara Lee. The campaign included boosting measured ad spending from $850,000 to $5.1 million in 1982 and rolling out Puddin' in the Middle Cake, New York Style Cheesecake and a reformulated line of coffee cakes for supermarket freezers. Spending homed in on spot and network tv ($4 million) to support the repackaged line of dessert cakes and to take on Entenmann's with comparative ads.

Although Sara Lee holds a 40% market share in the frozen baked sweet goods category, it has been hurt by competition from such fresh baked goods companies as Entenmann's, ownership of which passed from Warner-Lambert Co. to General Foods Corp. in 1982.

Sara Lee also went national in February 1983 with a three-item line of frozen croissants, which established Sara Lee as the first to introduce a frozen entry in a market that could be worth $100 million. Advertising touted the product as "the croissant of croissants."

Also new in 1983 was an eight-item line of Sara Lee superpremium ice cream, tested by Kroger's Pace Dairies subsidiary under agreement with Consolidated. Tv and newspaper couponing supported the test.

Booth Fisheries saw sales drop for its Booth and Fisher Boy consumer brands of frozen fish. Foodservice sales, however, strengthened. In 1982, Booth acquired Pacific Fish, a Seattle-based fish and seafood distributor, but failed later in the year to sell it off to Omaha-based ConAgra.

Sales by Consolidated's meats group, a collection of six meat processors and marketers with primarily regional distribution, increased 14.7% to $1 billion in 1982, with pretax income up 6.3% to $45 million. That gave the company an approximate 6% share of the $16 billion processed-meat market. Measured media support for Kahn's & Co., which accounts for about one-third of the group's sales, dropped from $3.2 million in 1981 to $1.7 million. Hillshire Farm brand support of $6.2 million in 1981 dropped to $3.4 million. Bryan Foods, Gallo Salame and Rudy's Farm all spent less than $1 million.

In December, Consolidated Foods' president-chief operating officer John J. Cardwell resigned citing "differences over policy and management styles." After the resignation, executive vps Robert Elberson and Robert Jaunich became vice-chairman and president, respectively. However, less than a month later, Mr. Jaunich resigned to become president of Osborne Computer Corp., Hayward, Cal. Mr. Elberson then was named president-chief operating officer of Consolidated.

In April, 1983, Thomas D. MacLeod was named to the vacant post of president-chief executive officer of Consolidated's Kitchens of Sara Lee U.S. unit. Mr. MacLeod had held the same title at Pepsi-Cola Canada.

Scott Hume

ADVERTISING EXPENDITURES*

	1982	1981
Newspapers	$2,263,000	$2,902,500
Magazines	13,412,900	11,175,000
Spot tv	17,898,500	20,945,800
Network tv	55,107,900	50,100,000
Spot radio	2,353,200	1,835,900
Network radio	1,224,400	189,700
Outdoor	232,800	71,000
Total measured	92,492,700	87,219,900
Unmeasured	85,514,200	79,179,800
Estimated total	178,006,900	166,399,700

*From AA's usual sources

ADVERTISING EXPENDITURES**

	1982	1981
Newspapers	$9,035,000	$7,912,000
Magazines	13,518,000	10,969,000
Spot tv	24,929,000	27,255,000
Network tv	59,187,000	50,916,000
Cable tv	88,000	—
Spot radio	3,223,000	3,183,000
Network radio	849,000	849,000
Total measured	110,882,000	101,954,000
Unmeasured	97,895,000	87,868,000
Estimated total	208,777,000	189,822,000

**Provided by company, for fiscal years ended July 3, 1982, and June 27, 1981

MARKETING PERSONNEL

Steen A. Metz, vp-retail, foodservice and corp business devel-Booth Fisheries
Charles Ostrander, vp-mktg, Aris-Isotoner Inc.
Steve Marcus, vp-mktg, Bali Co.
Donald E. Brunson, vp-mktg, Bryan Foods
Jack Thomas, vp-sales and mktg, Chef Pierre Inc.
John Zauner, vp-sales admin, Electrolux
Ron Dix, vp-mktg and sales, Gallo Salame
Robert Simms, vp-mktg, Hanes hosiery
David Bryant, vp-mktg, Hanes knitwear
Kirk Beaudin, vp-mktg, Hanes printables
Walter K. Pabst, vp-mktg & sales, Hillshire Farm
James H. Stokes, vp-sales, Idaho frozen

100

foods

William A. Geoppinger, vp-retail sales, Kahns & Co.
John Piazza, vp-mktg, L'eggs prods
Robert H. Fraser, vp-mktg, Lyon's Restaurants
William R. Breakey, vp, director-mktg, Popsicle Industries
Greg Moore, director-mktg, Rudy's Farm Co.
Richard Sharoff, vp-retail mktg, Sara Lee
James F. Fletcher, senior vp-operations, Shasta
Arnold Seckler, president, Sirena

Advertising Agencies

BBDO, Chicago—Booth Fisheries—Tony Bashe, acct super.

Maris, West & Baker, Jackson, Miss.—Bryan Foods (refrigerated meats)—Henry Ford, acct exec.

Henderson Advertising, Greenville, S.C.—Bryan Foods (new prods, canned meats)—David Capeloto, acct super.

Creamer Inc., Pittsburgh—Chef Pierre Inc.—Howard Gittins, acct exec.

Ketchum Advertising, San Francisco—Lyon's restaurants—David Kessler, acct exec.

Dancer Fitzgerald Sample, New York—Bali bras, Hanes, L'Eggs—Michael Donahue, mgmt director-L'Eggs; George Dean, mgmt director-Hanes; Thomas Bohan, mgmt director-Bali.

Specht, Gilbert & Partners, New York—Underalls, Slenderalls, Winteralls—Ivy Kirkwood, acct super.

Ketchum Advertising, New York—Today's Girl—Don Burkett, acct super.

Long, Haymes & Carr, Winston-Salem, N.C.—Hanes knitwear—Don Van Erden, acct super.

Leber Katz Partners, New York—Hanes printables—Howard Meditz, acct super.

Cooper-Jenner, Stafford & Associates, Waterloo, Ia.—Hillshire Farm—Jim Stafford, acct super.

Venet Advertising, New York—Hillshire Farm—Kathy Shaffery, senior acct exec; Marshall Post, acct super.

Sive & Associates, Cincinnati—Kahn's processed meats—Rodger Neiser, vp-director of merch and sales promo; Phil Mandel, acct super; Susie Perkins, acct exec.

Northlich & Stolley, Cincinnati—Gallo Salame—Mark Serriane, acct super; Chris Hayes, acct mgr.

Bill Hudson & Associates, Nashville—Rudy's Farm—Nick Damico, acct super; Mike McCrickard, creative director; Vanna Short, media director.

Foote, Cone & Belding, Chicago—Sara Lee (retail)—Dan Fox, senior vp-mgmt super; Scottie Perry, acct super; Marilyn Vender, acct exec.

Mandabach & Simms, Chicago—Sara Lee (foodservice)—Lee Lippman, senior acct super; Jim Flurry, acct super; Joy Mizell, acct exec.

Needham, Harper & Steers, Chicago—Shasta, C&C, Capri Sun—Ron Bess, group acct director; Mary Conrad, acct super-Shasta and C&C; Patrick Martin, mgmt rep-Shasta; Norval Stephens, mgmt rep-Capri Sun; Susan Graham, acct exec-C&C; Madeline Grill, acct super-Capri Sun; Steve Blamer, acct exec-Capri Sun.

Dart & Kraft

	1982	1981
Sales*	$9,974,000,000	$10,211,000,000
Earnings*	350,300,000	347,500,000
Advertising**	199,195,000	177,042,100

*Fiscal year ends Dec. 31
**AA estimate

Dart & Kraft, the nation's 31st largest advertiser in 1982, increased ad spending to $199 million, up 12.5% from 1981's $177 million. The company had 1982 net earnings of $350 million, up 0.8% from 1981, on sales of $9.9 billion, down 2.3% from 1981. The sales decline largely reflected the sale in late 1981 of the Thatcher Glass Mfg. Co., which affected U.S. sales, and the sale of Dominion Dairies Ltd. of Canada, which led in part to a 9% drop in Canadian sales. Excluding the effect of the discontinued operations, the company would have had a sales increase of 3% from 1981.

Kraft, the nation's leading cheese marketer, concentrated advertising on specific product lines in the cheese category last year, with emphasis on new-product introductions. Measured spending for Velveeta processed cheese exploded to $14.9 million last year from $4.8 million in 1981, making it Kraft's most heavily advertised food brand during the year. Most of the spending, heavily concentrated in spot tv, supported the national introduction of Velveeta slices, Kraft said.

The company also began a new campaign during the year for Velveeta loaf, intended to combat its consumer image as something less than real cheese. Tv and some print advertising with the theme, "It's all in this little yellow box," shows the various types of cheeses that make up Velveeta.

The company continued its effort to capitalize on the strong Philadelphia Brand cream cheese franchise by introducing nationally both Flavored Soft Philadelphia Brand cream cheese and Light Philly. Altogether, the Philly brand received a 21% increase in measured ad spending, to $9.5 million.

Additionally, the four-item line of Philadelphia Brand cream cheese salad dressings was introduced nationally this spring following successful test marketing. Advertising plays on the Philadelphia name, using the theme, "Get into the thick of it."

Kraft decreased measured ad spending about 11%, to about $8.5 million, on its regular Kraft pourable dressings, which hold an estimated 40% share of the $570 million market. The drop came in spite of continued new-product introduction in the buttermilk dressing line, whose latest addition is Bacon & Buttermilk dressing, now being introduced nationally.

The company continued a strenuous campaign for Kraft mayonnaise, boosting measured ad spending for the product 39% last year, to $8.3 million. Aimed at cutting into the category leadership of CPC International's Hellman's and Best Foods brands, comparative tv commercials and print ads depict two long-time Hellman's users who have "discovered the creaminess of Kraft" and tell their acquaintances about it. "Now you know" is the theme of the advertising. The campaign, however, is said to have had only a small effect on Kraft's market share, which stands at about 20%, and accompanying price reductions have made the product more competitive with private label mayonnaise than with CPC, sources say.

Although measured spending for Miracle Whip salad dressing dropped slightly to about $8.7 million last year, the 1983 budget is likely to be increased, reflecting this year's 50th anniversary promotions, which include a Golden Anniversary Contest and a strong tv, radio and print campaign stressing the indispensability of Miracle Whip on sandwiches.

This spring, Kraft introduced reduced-calories barbecue sauce in regular and hickory-smoke flavors nationally. Couponed newspaper ads with the theme "All the taste you could want," supported the product, which has a third less calories than regular barbecue sauce.

Measured spending for La Creme frozen whipped topping reached $11.7 million in 1982, its first full year of national distribution. The product is being advertised in tv and print as having "the taste of real cream."

Two products, Coffee Velvet flavored coffee creamers and Kraft Salad Bar Toppings, were pulled from their respective test markets earlier this year. The company said each line is now being evaluated.

The retail food group also ended last year's brief venture into the wine business, reportedly because of stock market displeasure with the idea, a legal conflict and licensing problems. The company reportedly spent less than $5 million on the start-up program and had been prepared to spend $7 million the first two years on advertising and promotion. The retail food group sold its inventory but has not yet divested other holdings of the wine unit.

Seeking to expand the estimated 15% of the $600 million spoonable yogurt market that it now holds with its Light n' Lively and Breyer's lines, Kraft's dairy group this spring introduced a new six-pack version of Light n' Lively yogurt. The yogurt is packaged in 5-oz. containers, making it appropriate for snacks or desserts. The product is expected to be marketed in about half the country by the end of this year. The new line is part of the dairy group's emphasis on value-added products and away from commodity items. During the year, Dart & Kraft continued divesting the dairy group's fluid milk operations. The dairy group has also expanded its marketing area slightly west of its traditional East Coast territory.

Breyer's yogurt received about $1.4 million in measured spending last year, while the Light n' Lively brand received about $1.1 million.

The dairy group this year extended its successful Sealtest Polar B'ars ice cream and chocolate chip cookie sandwiches with new ice cream and oatmeal cookie sandwiches dubbed Polar Caps.

The unit also is test-marketing Breakstone's gourmet dips with real sour cream.

Management changes and reorganization in the Kraft retail group marketing department followed the appointment in November of Michael Miles as president of Kraft Inc., succeeding Arthur Woelfle, who became chairman of Kraft and vice-chairman of Dart & Kraft. Mr. Miles had been senior vp-foods and chairman of Kentucky Fried Chicken Worldwide at Heublein.

Speculation that Kraft would move some assignments from J. Walter Thompson USA, Chicago, to other Kraft agencies remained unfounded at presstime although sources say that later this year, Needham, Harper & Steers/USA probably will take on some Kraft business now at JWT.

Kraft, historically a leader in innovative media use, continued experimenting with cable tv advertising, but has kept its cable budget "supplemental" to its regular advertising expenditure, according to the company.

Among the networks for which it has developed special advertising are WTBS, Cable News Network and the Home Shopping Show.

The company surprised observers last summer when it added MTV: Music Television cable network to its media buys, and then created special 30-second stereo commercials featuring a rock jingle, "Kraft is the beat." The buy contrasted with Kraft's usual target audience of housewives and represented the first time a non-youth-oriented advertiser has created special commercials targeted to MTV's audience.

Dart & Kraft's consumer and commercial products group finished fiscal 1982 with improved profits, up 33% from 1981 on a sales increase of 14% from last year. The improvement largely reflected cost reductions in the Hobart unit, where 11 plants were closed, staff was reduced 16% and more than $65 million eliminated from inventories.

Hobart's major consumer segment, KitchenAid, saw a 15% sales increase for its flagship dishwasher line, which finished the year as the No. 3 marketer in the category, with an estimated 13% of the market, up from 8% last year. KitchenAid mixers hold an estimated 38.5% of the market; its compactors hold about 10% of the market.

Late last year, KitchenAid awarded its estimated $5 million account to N W Ayer, New York, succeeding Griswold-Eshleman, Cleveland.

To help increase awareness of KitchenAid products among younger consumers, Ayer this spring created a new campaign, "KitchenAid. For the way it's made," and tagged it "The KitchenAid." The company's first network tv effort, along with a magazine print and spot tv campaign, support the dishwasher line, emphasizing capacity and durability.

In June, Hobart announced the acquisition of Rangaire Corp.'s Chambers unit, marketer of premium-quality major cooking appliances. Chambers products probably will be marketed under both the KitchenAid and Chambers names. Ayer will handle the cooking appliances marketed under the KitchenAid label.

West Bend Co. this summer entered a new arena as it purchased Total Gym Inc., San Diego-based marketer of exercise equipment. Four models of exercise systems are being marketed now, although new products are expected to be introduced during the year. West Bend is saying the Total Gym line will "capture a significant amount" of its 1984 advertising budget, but adds that West Bend will not foresake its base business in housewares. Young & Rubicam, Chicago, West Bend's agency of record, is handling the Total Gym line.

Duracell Inc., claiming nearly half of the domestic market for alkaline batteries, took a stronger position in the worldwide market in December by acquiring European battery business of British Ever Ready Ltd. for $60 million.

The purchase makes Duracell the largest battery company in Europe while providing a strong growth potential; alkaline battery penetration in Europe is less than 20%. The company also planned to enter the Japanese market, where the penetration of alkaline batteries is about 40%, during the second half of 1983.

To extend the Duracell franchise, the company early this year introduced Durabeam alkaline flashlights and lanterns into the $250 million U.S. market.

Measured ad spending for Duracell increased 28% in calendar 1982, to $20.5 million from 1981's $16 million. Most of the spending was in network tv.

In Dart & Kraft's direct-selling unit, worldwide exchange rates resulted in Tupperware International's 3% profit decline, to $226.3 million, on a 2% sales increase, to $890.1 million. In the U.S., Tupperware reported a 15% increase in profits on a 14% increase in sales.

During the year, Tupperware introduced Modular Mates, five stackable containers in graduated sizes, intended for smaller kitchens and less storage space. Tupperware is said to be working on a new line of microwave-compatible products that could debut this year.

Janet Neiman

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$6,976,300	$9,788,100
Magazines	26,110,300	31,175,900
Spot tv	64,277,000	44,106,300
Network tv	61,743,600	53,344,700
Spot radio	3,426,700	6,200,100
Network radio	977,000	684,500
Outdoor	59,300	67,100
Total measured	163,570,200	145,366,700
Unmeasured	35,625,600	31,675,400
Estimated total	199,195,800	177,042,100

KRAFT RETAIL FOOD GROUP

Marketing Personnel

H.K. Ridgway, group vp & president-retail Food Group
J.P. Durrett, exec vp-mktg
J.R. Blocki, vp & director-adv & mktg services
L.P. Stanek, vp & director-mktg info
J. Wilson, vp & director-grocery prods
D.W. Holland, vp & director-consumer affairs
H.H. Roberts, vp-mktg, grocery prods
J.S. Craig, vp-mktg, grocery prods
N.E. Ross, vp-mktg, refrig prods
D.W. Blue, vp-mktg, refrig prods

Advertising Agencies

N W Ayer, Chicago—A la Carte, La Creme—Jim Titus, mgmt super; Jill Beach, Leslie Carothers, acct supers.

N W Ayer, New York—Spot tv pool—G. Eversman, exec vp; G. Burrows, vp.

Foote, Cone & Belding, Chicago—confections, marshmallows, marshmallow creme, sauces and toppings, packaged dinners, youth program, fringe/children's network tv—Jim Cerasani, group mgmt super.

Hispania Advertising, New York—Hispanic consumer mktg—C. Loeffler, vp-acct super.

Needham, Harper & Steers/USA, Chicago—margarines, jellies and preserves, mustard, Philadelphia Brand pourable dressings, daytime network—Jack Copher, group acct director; Kathie McKirdy, mgmt rep.

Proctor & Gardner, Chicago—black consumer mktg, multiproduct advertising—Rolfe Kolconay, vp-acct super.

J. Walter Thompson USA, Chicago—Cheese, salad dressings, institutional advertising, prime time/specials network—Richard McCullough, senior vp-acct advisor; Bruce Beach, senior vp-group acct director.

KRAFT DAIRY GROUP

Marketing Personnel

R. Creighton, vp & director-mktg
J.C. Bucci, mktg mgr-frozen desserts
M.W. Seifert, mktg mgr-yogurt
V.W. Sidebotham, mktg mgr-cultured prods
R.L. Danziger, mktg research mgr
S. Kangisser, promotions mgr

Advertising Agencies

N W Ayer, New York—Sealtest, Breyers—Bill Marx, senior vp-mgmt super.

Geers, Gross, New York—Breakstone's prods, Light 'n Lively dairy prods—Dennis Fogarty, acct super.

DART & KRAFT CONSUMER/COMMERCIAL PRODUCTS SEGMENT

Marketing Personnel

WEST BEND CO.

R. Carson, director-adv
G.H. Miller, vp-mktg
P.F. Taccini, director-mktg
Ford Kanzler, sales & marketing mgr, Anova Electronics

HOBART CORP.

Charles R. Evans, senior vp-mktg, KitchenAid
Walter Layton, adv mgr, KitchenAid
Jerry Ballard, sales promo mgr, KitchenAid

DURACELL INC.

William S. Saint, vp-mtkg & devel, Duracell USA
Kevin J. Kelley, group prod mgr, Duracell USA
Mark E. Lucas, prod mgr-US brands, Duracell USA
Leonard Black, mkt & planning mgr, Duracell Intl

Advertising Agencies

N W Ayer, New York—KitchenAid—Mark Bollman, senior vp-mgmt super; Tina Anderegg, vp-account super; Peter Morris, account exec.

Dancer Fitzgerald Sample, New York—Duracell—Thomas Burke, senior vp-mgmt super.

Dudley-Anderson-Yutzy, San Francisco—Anova Electronics

Young & Rubicam, Chicago—West Bend—Tom Perlitz, vp-account director; Michelle Mauk, account exec.

DART & KRAFT DIRECT SELLING SEGMENT

TUPPERWARE

Marketing Personnel

Jack Linn, vp-adv & pr
William K. Clark, adv mgr
Jerry Lake, vp-sales promo
Mayee Laung, director-sales promo

Advertising Agency

BBDO, New York—Tupperware—Richard Bonnette, senior mgmt rep.

Delta Air Lines

	1982*	1981*
Sales	$3,617,523,000	$3,533,326,000
Earnings	20,814,000	146,474,000
Advertising**	49,328,000	43,400,000

*Fiscal years ended June 30.
**AA estimate

Delta Air Lines, Atlanta, the nation's 94th largest advertiser, increased ad spending 13.6% in 1982, to $49.3 million.

The Atlanta-based airline was known in 1981 as the world's most profitable airline, but the troubled economy and highly charged competition finally torpedoed Delta's profitable standing.

That financial strength and stability had kept the airline from slipping into the red in the fiscal year ended June 30, 1982, although its earnings plunged 86% that year. On sales of $3.62 billion, up 2% from $3.53 billion the year before, Delta earned $20.8 million compared with 1981's seven times greater earnings of $146.5 million.

Delta could not escape the ravages of unprecedented and "capricious" fare discounting, and at the end of fiscal 1983, the airline reported its first net loss in 36 years, $86.7 million.

Because of that, Delta officials announced in August that they had accepted a voluntary salary reduction through June 30, 1984, and also said the airline would launch an aggressive new advertising campaign in the fall.

Delta attributed its losses to competition with American Airlines, Eastern Air Lines and other major carriers, which had stiffened with Braniff International's introduction of Texas Class in November, 1981, and then with Braniff's demise in May, 1982. While major carriers were extending their routes into already competitive markets, regional carriers began to extend routes beyond their traditional markets and develop their own hubs, which reduced connections for major carriers.

In fiscal 1983, 82% of Delta's domestic traffic had flown on discounted fares, compared to 69% in the year before and 60% the year before that.

Delta had announced plans in 1980 to build a hub at Dallas-Fort Worth Airport, second only to its home-base hub of Atlanta. But in the ensuing competitive melee, American Airlines passed Delta with vast expansion of its own D/FW hub. Besieged from all directions and with profits plummeting, Delta charted a more aggressive marketing course.

The airline's 767 service was inaugurated in December, 1982, with service between Atlanta and Tampa, New York (LaGuardia) and Houston and between Houston and New York (LaGuardia). Delta placed four 767 aircraft into service at that time and planned to expand operations with 16 additional 767 aircraft in 1983 and 1984.

Between Nov. 19, 1982, and Jan. 31, 1983, Delta and Polaroid Corp. engaged in a "Fly Delta Free" promotion in which a round-trip ticket was given to anyone buying a Series 600 Polaroid camera in that period, if the purchaser also purchased an identical full-fare coach ticket between Jan. 1 and April 30, 1983.

Delta introduced new flight attendant uniforms designed by Van Lupu in February, 1983, and announced new streamlined service for its first-class compartments and a new Medallion or business-class service, all on Delta's transatlantic L-1011-500 service.

First-class L-1011 cabins were outfitted with larger reclining sleeper sets, and traditional first-class seating was installed in new Medallion compartments. Glass and china service was designated for the new top classes, along with improved wine and menu selections. Lunch and dinner selections were added to Delta's coach service on flights of three hours or more.

Delta introduced three simplified fare structures in early 1983, reducing the total number of fares offered by about 60%.

With the mid-1982 acquisition of Automated Business Applications, Delta was able to expand its computerized reservations and ticketing service, which it marketed to travel agents as DATAS II, a system that displays all airline schedules on an unbiased basis.

The Louisiana World Exposition, set for May 12 to Nov. 11, 1984, named Delta official carrier for the New Orleans World's Fair, in which capacity Delta is developing vacation packages to promote in key cities in addition to general promotional and advertising support leading up to the event.

Delta expanded its routes modestly in 1982 with service between Atlanta and Pittsburgh; Amarillo, Lubbock and Dallas; Oklahoma City, Atlanta and Tulsa, and other nonstop flights between cities it already served.

In addition to the 767 aircraft put into service in 1982, Delta ordered 33 Boeing 737-200 aircraft, which will be delivered to Delta starting in late calendar year 1983. Delta sold five of its older 727-200 aircraft, returned two leased 727-200 aircraft and sold 11 Lockheed L-1011 aircraft.

On June 19, 1983, Delta opened a $90 million flight center at New York's LaGuardia. Described as the "world's most modern airline terminal," Delta's new two-level center has nine aircraft gates, including six designed for new-generation wide-body jets.

Delta Air Lines added cable tv to its media mix in calendar 1983 for the first time with a WTBS superstation buy. Delta's spots appear in the news program that follows Atlanta Braves ball games.

Tom Bayer

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$24,664,600	$21,653,100
Magazine	790,200	1,231,500
Network tv	—	63,900
Spot tv	6,978,900	5,095,800
Spot radio	11,746,500	10,310,200
Outdoor	1,854,400	1,600,200
Total measured	46,042,600	39,954,700
Unmeasured	3,285,400	3,445,300
Estimated total	49,328,000	43,400,000

Marketing Personnel

J.A. Cooper, senior vp-mktg
A. McKinnon, vp-mktg
W.W. Hawkins, asst vp-mktg
James Porter, system mgr-adv & sales promo
Tom Brooks, adv and media rep

Advertising Agency

BDA/BBDO, Atlanta—Glenn Verril, president-mgmt super; Jack Walz, vp-acct super.

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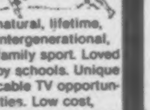

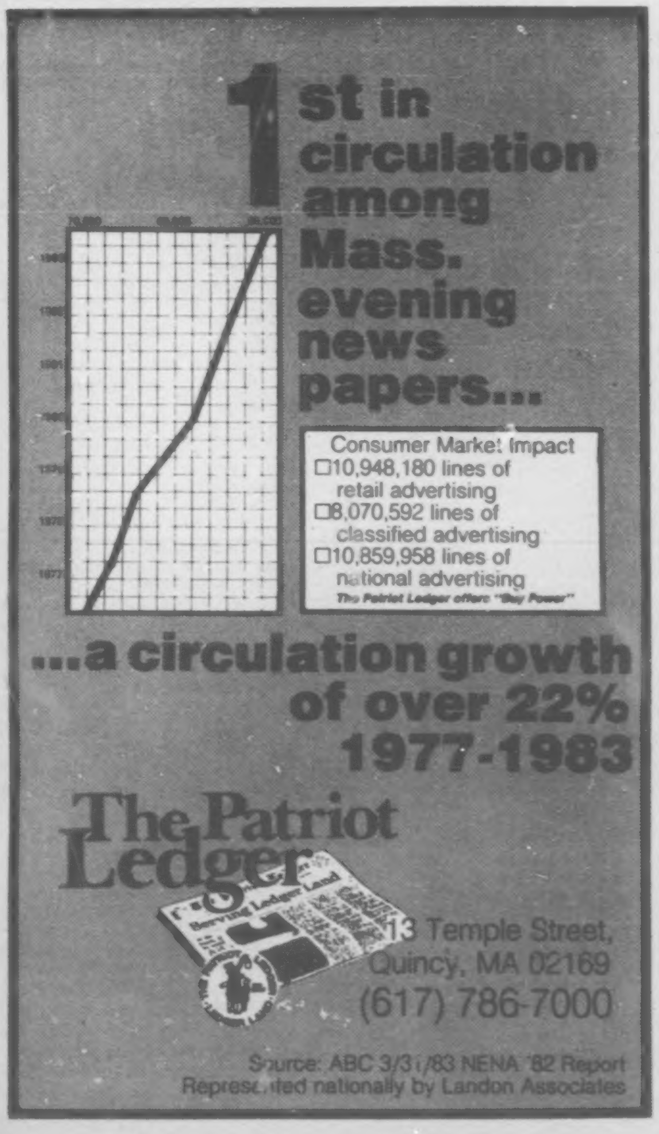

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E.I. du Pont de Nemours & Co.

	1982	1981
Sales	$33,331,000,000	$22,810,000,000
Earnings	894,000,000	1,081,000,000**
Advertising*	92,912,000	105,000,000

*AA estimate
**Restated

E.I. du Pont de Nemours & Co., Wilmington, Del., the 65th largest national advertiser, reduced its advertising 11.5% to an estimated $92.9 million in 1982.

Sales for the year totaled $33.3 billion in 1982, slightly higher than combined revenues of $33 billion for du Pont and Conoco in 1981. Combined net income of $894 million was 23% below the total of $1.15 million in 1981. Earnings per share for 1982 were $3.75, lower than the $4.88 share in 1981 but about $1.20 per share higher than they would have been had there been no merger of du Pont with Conoco.

During the year, du Pont acquired Solid State Dielectrics to bolster its position as a supplier to the electronics industry, and Ajax Membrane Products, to broaden its line of "Permasep" reverse osmosis membrane desalting products. It also initiated a joint venture with Japan's Sankyo Ltd. to develop and market pharmaceuticals in Japan.

Among the company's divestitures were the sale of the car care products, Torvex ceramic honeycomb and Percogesic over-the-counter analgesic businesses and the Paramount refinery in California.

Excess capacity for products such as textile nylon fiber, finishes and cellophane packaging material was shut down to bring supply more in line with worldwide demand. At the same time Conoco began to withdraw from its minerals business.

The largest portion of du Pont's advertising budget was devoted to general promotion: $3.1 million was spent on Conoco, nearly all in network tv; $4.3 million on du Pont, mostly devoted to network tv.

Big network tv spenders were Silverstone coating, some $2.9 million of its $3.7 million measured media spend going into network tv, and Zerex antifreeze, with $1 million out of its $1.1 million measured spending going to network tv.

By contrast, magazines dominated the $3.1 million spent for Antron fibers ($2.9 million), and the $3.5 million budget for Teflon stain repeller ($3.4 million). Fibers sales for the company decreased 16% to $4.1 billion in 1982, from a pro forma combined total of $4.9 billion in 1981. After-tax operating income of $136 million was 66% below the 1981 total of $400 million.

According to the company, earnings in 1981 reflected charges of $36 million from the phaseout of Dacron polyester industrial yarn for tires and seat belts and the withdrawal from manufacture of Dacron polyester textile yarn in Canada and Europe. Du Pont's 1982 performance reflected a 22% reduction in shipments, offset only partially by a 7% higher average selling price. Fiber sales accounted for 12.3% of total sales as opposed to 15% in 1981.

Petroleum Refining, Marketing and Transportation had the largest revenues as a group—a total of $15.1 billion. The segment contributed $215 million in after-tax income, a 5% improvement from 1981.

Agricultural and Industrial products helped du Pont earn $170 million (down 27%) on sales of $3.8 billion (down 4% on a combined basis). Industrial chemicals have led the decline begun in 1980.

The polymer products division had sales of $3.1 billion, down 8% from the pro forma combined sales of $3.3 billion. Earnings of $78 million reflected a 40% drop from the $130 million in 1981. Brights spots, however, were sales of Surlyn ionomer resin, Permasep permeators and Clysar shrink films.

Clysar sales should increase as the promising markets for tamper-evident packaging, low shrink-force films and citrus overwrap grow.

Over the year, the company made extensive investments in Europe and Japan to expand polymer capacity, principally in Europe and Japan. This is expected to strengthen competitive positions of its growth businesses in local markets as well as make earnings from sales abroad less vulnerable to fluctuations in the dollar.

Sales of Industrial and Consumer Products in 1982 were $2.5 billion, 8% below 1981. The lower figure reflected a 12% lower volume, partly offset by 4% higher average selling prices. After-tax operating income was down nearly 39% to $129 million.

Severe declines in construction, mining and automotive markets have had a significant impact on most of these businesses.

Biomedical product sales increased by 3% in 1982 to $1 billion. However, operating income declined 8% to $130 million. Clinical instruments recorded strong growth in earnings as a result of higher volume, but over-all totals were affected by increased spending in research and marketing. The sale of Percogesic fetched the unit and the company a $7 million gain. The company filed new drug applications with the FDA in 1982 for three oral forms of Nubian analgesic and for use of Nubian, a balanced anesthetic. In addition, it is itself undergoing a major face-lift.

One of du Pont's more successful products in recent years has been the Quallofil pillow. Introduced to retailers in 1981 and to consumers in March, 1982, the pillow is now carried by 90% of retailers of domestic items in the country. Sales of fibers for Quallofil products exceeded the sales forecast by 60% and the revised forecast by 40%. Du Pont expects over-all pillow sales to increase by 8% to 10% in 1983, but forecasts a 60% increase for Quallofil sales.

A new ad program for Quallofil that broke in March, 1983, included rebates and premiums for pillow purchasers, promotions and displays for stores and an expanded print campaign via BBDO. Ads billed Quallofil as the "incredible, huggable, squeezable, scrunchable, plumpable, washable and dryable" pillow.

In 1982 the company funded an expanded r&d program of almost $900 million and still generated cash flow, before dividends and capital expenditures, in excess of $4.5 billion. The company projects r&d expenditures to reach $1 billion in 1983.

Capital spending in 1982 was almost $3.3 billion—about $500 million lower than what was projected at the beginning of the year. Expenditures for 1983 are expected to remain at the 1982 level, with about $2 million being spent for energy resource development and the balance largely concentrated in high technology growth products and process modernizations to reduce costs.

Udayan Gupta

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$1,900,200	$826,600
Magazines	21,578,900	25,190,400
Farm publications	3,383,200	3,105,000
Spot tv	2,948,700	2,183,400
Network tv	12,423,000	18,762,600
Spot radio	1,482.1	348.8
Network radio	851,600	64,700
Outdoor	20,700	5,900
Total measured	44,668,400	50,487,400
Unmeasured	48,243,600	54,512,600
Estimated total	92,912,000	105,000,000

Marketing Personnel

C.E. Crowley, director
A.W. Ballentine, div mgr
R.A. Hotchkiss, intl dept
S.P. Blish, div mgr
J.M. Murray, photo prod dept, clinical systems, analytical & biomedical
J.G. Heidelberg, photo prod dept, photo systems
J.S. Swajeski, photo prod dept, Berg electronics and electronics specialties
J.B. Brett Jr., textile fibers dept, carpet fibers and fiberfill
G.W. Hale, textile fibers dept, industrial fibers and spunbonded prod
R.E. Williams, div mgr
C.H. Weber, fabrics & finishes dept, applied technology, adhesives and coatings, fabrics, export, Corian prod
R.H. Stewart, fabrics & finishes dept, refinish; staff depts
R.T. Eldridge, fabrics & finishes dept, cookware, Teflon Industrial, Teflon lubes, maintenance finishes, industrial/-packaging finishes, material reclamation systems (MRS)
R.J. Alfano, corporate adv
J.G. Williams, Remington Arms Co.
H.E. Davis, div mgr
E.J. O'Brien, polymer prod dept, elastomers
H.B. Horning, polymer prod dept, engineering plastics materials & fluoropolymers
E. Shea, polymer prod dept, industrial films, flexible packaging
J.B. Boyer, polymer prod dept, plastic prod
J.H. McDivit, polymer prod dept, ethylene polymers, plastic prod and export
M.R. Tyler, textile fibers dept, prod info
R.W. Nightengale Jr., div mgr
N. Kwick, biochemicals dept, agrichemicals mktg
J.P. Swan, chemicals & pigments dept
J.C. Maneval, petrochemicals dept
S.A. Harrison, personnel mgr
H.P. Root, division mgr, mktg rsch
J.R. Murphy, publications section
A.B. Baker, division mgr, media & mktg communications services
D.T. Smith, accounting
T.J. Niemkiewicz, production/graphics
P.J. Trainor, media/promo aids
W.D. Davis, audiovisual
F.G. Oswald, textile fibers dept, women's wear, hosiery, craft yarns, Qiana
F.W. Ockenfels Jr., textile fibers dept, menswear, children's wear, career apparel
H.A. Carnevale, textile fibers dept, sweaters
J.F. Booker, textile fibers dept, fiberfill
E.K. Bispham III, textile fibers dept, home and automotive fabrics

Advertising Agencies

N W Ayer Inc., New York—fabrics and finishes (except auto prods), polymer and photo prods (except electronic prods), chemicals & pigments (except carpet protector), petrochemicals, staff depts and textile fibers' industrial and spunbounded prods—N. van Sant, mgmt coordinator.

BBDO, New York—auto prods, carpet protector, textile fibers apparel, carpets, home furnishings and fiberfill prods and corporate ad programs—B. Gross, vp-mgmt coordinator.

Rumrill-Hoyt, Rochester, N.Y.—agricultural chemicals and Remington Arms Co.—R.D. Thomson, mgmt coordinator.

Kelly Advertising, Lancaster, Pa.—Berg Electronics and electronic specialties—R.L. Kelly, mgmt coordinator.

Barnum Communications, New York—pharmaceutical prods—M. Amster, acct super.

Sudler & Hennessey, New York—pharmaceutical prods—L. Gamza, acct super.

Eastern Air Lines

	1982	1981
Sales........	$3,769,237,000	$3,727,093,000
Earnings*.....	(74,927,000)	(65,877,000)
Advertising**..	57,363,100	54,100,000

*(Loss)
**AA estimate

Eastern Air Lines, Miami, the nation's 89th largest advertiser, increased its advertising expenditures to $57.4 million in 1982, up 6% from the previous year.

The Miami-based airline averted the threat of bankruptcy in 1982 when it successfully negotiated with its banks to ease loan conditions that otherwise would have placed the airline in default on part of a $400 million loan.

Like all other major air carriers, Eastern has faced minimal revenue increases and deepening losses in the wake of deep discount fare wars to fill unoccupied seats. The competitive battle to survive has forced airlines to match each other's promotional fares, causing widespread distress and financial strain in the industry.

Eastern estimates that three out of every four people taking advantage of discount offers would not otherwise have flown Eastern. In 1982, 78% of Eastern's passengers traveled on a discounted fare, up from 70% the previous year. The airline carried 35 million revenue passengers in 1982, still more than any other airline in the free world.

In May, 1982, Eastern joined the rush to fill the void left when Braniff International ceased operations and filed a petition for protection under the Federal Bankruptcy Code. The airline leased Braniff's South American routes for $30 million and spent another $11 million for promotion and aircraft conversion. Because of the expansion into South America, Eastern said in its advertising that "the Western Hemisphere is now the Eastern Hemisphere."

In late 1982, Eastern took delivery of its first Boeing 757, becoming the first airline to place the new fuel-efficient aircraft into service. Eastern planned to take delivery on 13 additional 757s in 1983.

General Motors teamed with Eastern to offer a "Buy now and fly" promotion in which a free round-trip ticket for two was offered as incentive to buy a Chevrolet.

The airline continued as official airline of Walt Disney World as Epcot Center was opened on Oct. 1, retaining its leadership among carriers serving Orlando, Fla. Eastern renewed its contract with Walt Disney World for five years. Eastern promoted first class travel in the fall of 1982 when it announced cuts in first-class fares on more than 800 routes, enabling passengers to fly first class for only $10 to $30 more than normal coach fares before Dec. 15.

Eastern continued its use of cable tv in its media mix, sponsoring the Atlanta Braves baseball games aired on WTBS superstation. Eastern reported its total media budget for 1982 as $56 million. Actual worldwide expenditures for advertising and promotion in 1982 totaled $81.1 million, up from 1981's $70.8 million because of numerous promotions and costly fare wars, and costs associated with the new South American routes.

For 1983, Eastern set a marketing strategy designed to return to profitability. Goals for the year included further expansion into South America, further development of Houston as a hub and strengthening of existing hubs at Atlanta and Miami.

Recognizing that deep discounts failed to produce an offsetting volume of traffic, Eastern joined in the industry's gradual fare increases and established a discount structure to offer modest but meaningful requirements while still offering an inducement for people who otherwise would not fly.

Tom Bayer

ADVERTISING EXPENDITURES

	1982	1981
Newspapers.......	$21,625,400	$23,670,000
Magazines........	4,657,900	3,932,900
Spot tv...........	7,924,900	4,906,100
Network tv........	5,202,500	1,742,100
Spot radio........	10,238,200	6,967,800
Outdoor..........	2,499,400	2,403,700
Total measured..	52,148,300	43,622,600
Unmeasured....	5,214,800	10,477,400
Estimated total..	57,363,130	54,100,000

Marketing Personnel

R.L. Ray Jr., senior vp-mktg
D.B. Kuntsler, vp-sales & mktg
W.H. Dowse, vp-adv
W.A. Vervaeke, mgr-vacation adv
B.A. Noonan, mgr-intl adv
T. Ripps, mgr-consumer & adv rsch
B.F. Walsh, mgr-business adv
R.A. Wolf, mgr-adv services

Advertising Agency

Campbell-Ewald, Warren, Mich.—Joseph V. Karle Jr., group senior vp; Robert F. Henry, Martin F. West, senior vp assoc. mgmt supers; Robert L. Greer, vp-acct super; Wendy Wienner, acct exec. Campbell-Ewald, Miami, Fla.—David W. Roddy, vp-senior acct super; Jeffrey T. Seregy, vp-acct super; James A. Powers Jr., Timothy M. Swies, acct supers; Juan Calvillo, acct exec; for Latin American operations, Miami—Gunther Saupe, senior vp, mgmt super, area mgr; Francisco Vergara, senior vp-creative director; George Massie Jr., acct super; Maruja Roger, acct exec.

Eastman Kodak Co.

	1982	1981
Sales........	$10,815,000,000	$10,337,500,000
Earnings.....	1,162,000,000	1,239,000,000
Advertising*..	142,820,000	101,000,000

*AA estimate

Eastman Kodak Co., Rochester, N.Y., the 45th largest advertiser, spent an estimated $143 million on advertising in 1982, a 41% increase over $101 million in 1981.

The large advertising outlay came in spite of only a slight sales increase and a drop in earnings. Worldwide sales of $10.82 billion in 1982 increased by 5% over 1981's total of $10.34 billion. The photographic division, with sales of $8.9 billion, showed an 8% increase over 1981 figures, spurred by the introduction of disc cameras and film and by impressive growth from Ektaprint copier/duplicators. The chemicals division fared less well, dropping 8% in sales to $2.1 billion. Corporate earnings in 1982 decreased 6% to $1.16 billion.

Kodak, however, has not been climbing out of its slump in either of the first two quarters of its new fiscal year. Sales for the first quarter of 1983 dropped 5% to $2.13 billion and net earnings plunged 73% to $49.4 million compared with year-earlier results. A company spokesman blamed the bulk of the loss on a $90 million early-retirement program, all of which was charged to the first quarter.

In the second quarter, sales declined 1% to $2.40 billion and earnings slipped 31.8% to $169.4 million from the year-earlier quarter. The optional retirement and separation program that hurt profits the first quarter reduced second-quarter profits by $87.4 million. The company, however, expects savings for the full-year effected by the program to equal costs.

The results of the two quarters elicited a statement from top Kodak executives that "1983 will be characterized as a year in which Kodak results will bottom at a point from which recovery can begin."

Kodak's line of disc cameras and film dominated headlines out of Rochester during 1983, and they also dominated the advertising budget, as the company began an estimated $40 million campaign to make the world know and understand its successor to the Instamatic.

Initial sales ran ahead of expectations, helping allay some analysts' fears that the disc camera was too expensive. Although the camera's list price ran from $67.95 for the model 4000 to $142.95 for the model 800, discounting brought the actual price down much lower. And this year Kodak introduced a new bottom-of-the-line disc camera for $56.95, just the beginning of what most observers see as steadily falling prices for the camera.

Kodak's monopoly on the film disc market is likely to be short-lived, as the Fuji Photo Film Co. kept up its pressure on the Kodak-dominated film market by announcing plans to introduce its own disc film this year. While analysts had foreseen competition in the film-disc market, few had anticipated such an early entry.

Much of the budget for selling the disc camera will continue going toward the 30- and 60-second prime time tv commercials, which, through a mixture of high-tech features, plus a dose of traditional Kodak family scenes, have asked viewers to "Picture a brand new world." Longtime Kodak spokesman Michael Landon has been shifted to selling the company's color paper so that Kodak can push the disc camera, and its many facets, with straightforward product copy.

Of the approximately $142.8 million Kodak spent on advertising in 1982, a total of $63.2 million, or 44%, went to network television. Another 10%, or $15.2 million, went to magazines; spot tv was the third biggest beneficiary, with 5%, or $5.8 million.

According to Kodak officials, a new line of high-speed film may well surpass the disc series in terms of advertising expenditures. The Kodacolor VR Series, introduced this year, is a series of four new 35mm color-print films designed to surpass the older Kodachrome II series in quality and range of speeds. The VR 1000, with the highest velocity of the four films, is the fast-

There have always been good reasons for buying The Houston Chronicle. Now there are quite a few more.

Start with HBO, Cinemax, The Movie Channel and Showtime. Add ESPN, MTV, USA and the superstations.

est color film on the market, enabling photographers to use faster shutter speeds to stop action and a greater range of lenses to otherwise increase flexibility. Kodak officials say the VR 1000 offers the same quality grain and sharpness as the company's ASA 400 film. The VR line also features new versions of color film with ASA readings of 100, 200 and 400.

Because film is the most profitable segment of the photography business, it's not surprising Kodak would want to back its new film line with a heavy sales pitch. While Kodak dominates the $1 billion U.S. film industry with an 85% share, Fuji has stepped up its attempt to increase its 7% slice. And in Japan, where the Kodak/Fuji figures are all but reversed, Kodak sees its new line of films as an opportunity to build upon its 15% share of a $500 million film market.

Initial ads for the VR films show a photograph of a bride taken indoors in candlelight without a flash and with the ASA 1000 film.

Although suffering along with other makers of instant cameras in a currently depressed field, Kodak continued to hold on to its 25% share of the market. To increase its market share and compete against Polaroid's new 600 series of high-speed instant cameras, the company introduced four new Kodamatic cameras and a high-velocity instant film. Replacing the old Colorburst line are the Champ, the 960L, the 970L and the 980L. The Champ, at $29.95 the lowest priced, has already become Kodak's biggest-selling instant camera. The 980L, at $114.95, is the top-of-the-line entry and is the first Kodak auto-focus instant camera.

Kodak's new instant film is Kodamatic ASA 320, its fastest instant film yet, although not as fast as Polaroid's 600 ASA film. It retails for $10.95 per 10-exposure pack, compared with $9.95 for a 10-exposure pack of Polaroid film.

Kodak officials are bullish on two other developments in the instant-camera field. First, Kodamatic Trimprint color film became available this summer, enabling snapshooters to peel any print they take from its traditionally bulky backing. Also unveiled was the Instagraphic CRT imaging outfit, a commercial-market system that takes pictures from still images projected on a video or computer screen. This marks Kodak's first departure from the amateur market in instant photography, and company officials say the response to the system has been excellent. The outfit contains an instant camera, a CRT cone, two packs of film and an adapter for 35mm SLR cameras, all for less than $195.

Copiers are the fastest-growing segment of Kodak's business, accounting for about 10% of total sales last year. Sticking to the high-quality, big-volume end of the copier business, which has been so good to the company in past years, Kodak recently introduced the Ektaprint 250 series. The two copiers make two-sided copies automatically and produce 30% more copies per hour than existing Kodak models.

News was gloomier in the Eastman chemicals division, which made up 19% of Kodak's total sales worldwide last year. Sales in the U.S. were only $1.7 billion, down 7% from 1981, and the sales decrease was an even sharper 15% to $418 million outside the U.S. Company officials cited poor economic conditions, oversupply of several major commodities and adverse currency valuations as reasons for the decline.

Barry H. Slinker

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$3,825,900	$2,510,000
Magazines	15,243,700	13,274,800
Spot tv	5,843,800	5,587,700
Network tv	63,267,000	41,623,700
Spot radio	1,818,000	903,900
Network radio	1,609,000	550,300
Outdoor	593,300	558,900
Total measured	92,200,700	65,009,300
Unmeasured	50,619,300	35,990,700
Estimated total	142,820,000	101,00[illegible]000

EASTMAN KODAK CO.

Rochester, N.Y.

Marketing Personnel

K.R. Whitmore, exec vp-genl mgr, photographic div
J.P. Samper, exec vp-genl mgr, photographic div
W.J. Prezzano, group vp-genl mgr
F.P Strong, vp-genl mgr, U.S. mktg div
J.R. Robertson, vp-asst genl mgr, U.S. mktg div
R.G. Van Duyne, vp-genl mgr, customer equipment services div
J.R. Zeman, vp-genl mgr, health sciences mkts div
R.C. Sharp, vp-genl mgr, consumer/professional and finishing mkts
W.E. Sherman, vp-genl mgr, graphics mkts div
J.R. Sutcliffe, vp-genl mgr, business systems mkts div
W..A. Koch, vp-genl mgr, motion picture/audiovisual mkts div
J.J. Powers, vp-director, mktg communications
W.K. Pedersen, asst vp-director, mktg communications services
B.B. Coles, president, genl mgr, Kodak Canada
G.A. Snyder, vp-genl mgr, distribution div

Advertising Agencies

Rumrill-Hoyt, Rochester—print trade, audiovisuals, some business, scientific and industrial—J.M. Valerio, exec vp-mgmt super; D. Fisher, senior vp-group mgr.

Young & Rubicam, New York—instant photo prods—Ruby Harrington, exec vp-group director; Ricardo C. Calvillo, senior vp-mgmt super.

J. Walter Thompson USA, New York—traditional photo prods, some business, industrial and technical—John Masher, senior vp, Kodak Worldwide U.S.; Granger Tripp, senior vp, Kodak Intl.

Baker, Lovick Ltd., Toronto—Canadian commercial prods—M. Lamont, vp-acct exec.

McCann-Erickson, Adv of Canada Ltd, Toronto—Canadian photographic prods—P. Finlayson, vp-group head

EASTMAN CHEMICAL PRODUCTS

Kingsport, Tenn.

Marketing Personnel

D.B. Campbell Jr., president
T.F. Reid, exec vp-genl mgr
P.J. Burns, senior vp
R.W. Bourne Jr., senior vp
W.L. Terrill, senior vp
J.W. Malloy Jr., vp-federal govt relations
B.F. Roberts vp-adv
G.O. Trabue Jr., vp-chemicals div and genl mgmt staff
R.C. Dubberly, vp-filter prods, intl div
L.B. Connelly, vp-plastics field mktg div
R.C. Forrester, vp-technical service and devel, new prods
R.E. Hudson Jr., vp-textile fibers div
T.L. Shealey Jr., mktg director-textile fibers div
J.T. Moore, mktg director-plastics div
T.G. Fudge, mktg director- chemicals div
M.J. Mettetal, mktg director- H&N div
J.C. Van Audenhove, mktg director-filter prods div
C.B. Fox, mktg director-new prods div
R.F. McTier, mktg director-intl div
G.E. McGraw, director-technical service and devel div
W.T. Ambrogi, Jr., director-chemicals field mktg div
N.M. Atkins, director-prod/mkt mgmt, chemicals div
P.J. Trent, director-plastics field mktg div

Advertising Personnel

(New York)

A. LaManna, director-adv
K.E. Palmer, mgr-fibers adv
V.V. Reisig, mgr-chemicals adv
T.W. Lyons, mgr-plastics adv
M. Hennessy, mgr-intl adv
J.F. Horne, mgr-promo
H.E. Reebel, mgr-adv services
R.E. Webb, mgr-editorial services (Kingsport)

Advertising Agency

Leber Katz Partners, New York—all products worldwide.

Esmark Inc.

	1982*	1981**
Sales	$3,389,064,000	$3,376,206,000†
Earnings	107,566,000	93,769,000
Advertising	197,757,000	199,963,000‡

*Fiscal year ending Oct. 30, 1982
**Fiscal year ending Oct. 31, 1981
†Revised because of corporate restructuring
‡Restated

Esmark Inc., the nation's 32nd largest advertiser in 1982, will undoubtedly move up to the ranks of the top 10 U.S. ad spenders from now on with the recent acquisition of Norton Simon Inc.

Esmark's successful tender offer for NSI in July, valued at about $880 million in cash and preferred stock, will add the New York conglomerate's heavily advertised Hunt-Wesson grocery products, Max Factor cosmetics, Johnnie Walker Scotch and Avis car rental services to Esmark's stable of brand-name packaged foods, consumer goods and industrial products.

It also will roughly double Esmark's revenue base, which last year totaled nearly $3.4 billion, about $13 million more than in the previous year.

Esmark's net earnings, however, surged ahead by 14.7% to $107.6 million with sharp operating profit gains by its International Playtex and Swift & Co. subsidiaries, which offset eroded earnings in the chemicals and high-fidelity product divisions.

Chicago-based Esmark's 1982 advertising expenditure totaled almost $197.8 million, off about 1% from 1981. NSI spent $191 million on advertising last year. Last year was marked by record profits at Playtex and a continuing turnaround at Swift, following the 1981 divestiture of Swift's fresh-meat operations that left the unit with a number of leading brand-name grocery products such as Brown 'N Serve and Sizzlean processed meats, Butterball turkeys and Treasure Cave blue cheese.

Swift's operating profits were up 29% to a record-high $49.5 million on revenues of $1.4 billion, largely because of overhead cuts tied to reduced inventories and a slash in management positions that cut the corporate staff in half. More important, Swift's return on assets reached 13.5%, up from 10% in 1981 and a loss in 1980. That figure is significant because chairman Donald Kelly has set a 15% return-on-assets goal for all Esmark units—a target that Swift, the largest contributor to Esmark's revenues, has been under particular pressure to hit.

to add The Chronicle to your broadcast buy.

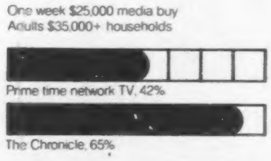
Houston cable penetration now stands at 35%. And among adults with household incomes over $35,000, the ones you want to reach most, 47% subscribe to cable.

What you get is a TV picture so hopelessly fragmented, it's virtually impossible to cover Houston with broadcast.

Solution? To increase your reach and frequency, make The Chronicle the primary part of your Houston media plan. As the largest newspaper in the Southwest, Chronicle penetration among adults with household income of $35,000+ is unmatched.

For example, a one week, $25,000 prime time network TV schedule in Houston delivers only 42% of adults living in $35,000+ households.

An equal investment in The Chronicle delivers 65% of these affluent adults*.



That's 127 extra GRP's. At no extra cost.

For a detailed media comparison, call our Research Manager collect, 713/220-7401. Under the circumstances, it's the only reasonable thing to do.

Houston Chronicle
The primary advertising investment.

*Source: Belden Multi-Media Study, 1982. Based on eleven 30-second spots on local network affiliates, BAR estimates, versus five 1575-line Chronicle ads at national rate. Represented nationally by Sawyer Ferguson Walker.

Which one of these companies would you like to work for?

ANHEUSER-BUSCH
BLOCK DRUG
BRISTOL-MYERS
BROWN & WILLIAMSON
CHESEBROUGH-POND'S
CITICORP
CLAIROL
CLOROX
COCA-COLA
FRITO-LAY
HEUBLEIN
HUNT-WESSON
INT'L PLAYTEX
JOHNSON & JOHNSON
LEVER BROS
L'OREAL-COSMAIR
MOBIL
NABISCO BRANDS

We work for all of these companies.

Our job, as management consultants, is to find qualified marketing directors, product managers, market research and sales promotion people for the blue-chip companies listed above. If your strength is in consumer packaged-goods marketing, you should know our president: Gene Judd. Contact him at

Judd-Falk

124 East 37th Street
New York, N.Y. 10016
Telephone: (212) 686-1500

111 East Wacker Drive
Chicago, Ill. 60601
Telephone: (312) 856-1400

100

Improved results were shown by all four Swift sectors: Processed meats and poultry, dry grocery, cheese and frozen foods and international. One advertising development was the introduction of two-minute infomercials that come across more as mini-cooking lessons than commercials.

Brown 'N Serve sausages posted record sales and earnings, with Swift's share of the sausage market reaching 7.9% in the second quarter of 1983, compared with 6.2% in the same period a year ago.

Brown 'N Serve ad spending totaled more than $5.8 million, according to Leading National Advertisers, including advertising for the first time in southern states—where sausage sales are heavy but very competitive with numerous regional brands. New products included Brown 'N Serve ham links and ham patties, and the company introduced a fast-selling Country Recipe flavor earlier this year.

Swift increased its leadership position in the processed breakfast strip category by adding all-beef Sizzlean to its pork and brown sugar-cured breakfast strip varieties. Not counting the much larger bacon market, Sizzlean had 80% of the breakfast strip market in the second quarter of 1983, up from 77% in the same period a year ago. Sizzlean strips accounted for $4.7 million in measured ad spending.

Peter Pan peanut butter improved on its third-place market share, with measured ad spending of nearly $8.2 million. Market share increased to 13.7% in the April-June period this year, compared with 12.5% in the same three months last year.

The dry grocery sector also added chicken and beef varieties to its Stew Starter line, which met profit objectives along with the original Soup Starter ingredients line, Esmark said.

Swift has been retrenching on its turkey business, which historically has had a dominant 24% share of the branded turkey market, with tighter inventory and reduced production. However, market share in the fourth quarter last year (which accounts for some 70% of the year's turkey sales) was up to 22.9% from 21.7% in the previous year, even though industrywide turkey sales were off 10%, said Bruce Gooden, director-marketing for dry grocery and the Butterball line.

Esmark said the roughly $38 million drop in Swift's revenues last year were "mainly" because of lower turkey sales. Butterball was supported by about $2.1 million in measured advertising, versus about $3.6 million in the previous year. The poultry group saw the introduction last year of several new products, including a Butterball boneless turkey roast and four new frozen specialties in the International Entree line.

International Playtex remained the most profitable holding in Esmark's portfolio, with earnings at an all-time high of $100.6 million, a 19% gain on record sales of $783.8 million. Esmark said all Playtex product areas showed gains, particularly family products (led by Jhirmack haircare products) and Danskin, maker of leotards and other action knitwear. Measured advertising for various Danskin products totaled more than $3.1 million, including about $1.6 million for multiproduct advertising, mostly network tv. Also, Esmark spent $500,000 to sponsor a "Magic of Dance" special featuring Dame Margot Fonteyn, tied in with Danskin's 100th anniversary.

Playtex spent a measured $12.2 million to advertise bras, mostly for network tv, and another $1.9 million for bras and girdles. Playtex bras had a 21% market share in 1982 and girdles had a 24.1% market share. The intimate apparel division spent $27 million on advertising in 1982, up from $26 million in the previous year. Last year marked the national rollout of Danskin bras and panties.

Another large advertising outlay was for tampons—$6.7 million in measured spending.

Jhirmack haircare products saw a one-third sales growth and a two-thirds earnings growth last year, Playtex said. Haircare products were supported by $3.6 million in measured ad spending, plus $1.3 million for Jhirmack conditioners, $1 million for Jhirmack shampoo and $2.2 million for a new hairspray line that was introduced nationally last year. Esmark acquired Jhirmack last year for $28.4 million.

Total advertising and promotion spending for the family products division was more than $53 million in 1982, of which $19 million was for advertising. The Pennaco hosiery division of Playtex also reported record sales and earnings, with its Round-the-Clock/Givenchy line holding a second-place market share in department and specialty stores.

The hosiery unit plans an aggressive ad spending campaign in 1983, with spending expected to be up 113% across both print and tv, Playtex said.

In Esmark's Eschem division, improved earnings and return on assets were reported for STP Corp. after several years of lackluster results. Ad spending for STP declined slightly in 1982 as targeted promotion efforts were expanded, with a total of about $3.1 million in measured ad spending for STP's line of car-care products, including market-leader STP oil treatment.

Paul Merrion

ADVERTISING EXPENDITURES**

	1982	1981
Newspapers	$1,863,600	$1,317,700
Magazines	7,871,400	11,268,700
Spot tv	8,817,200	8,443,900
Network tv	49,357,800	47,181,600
Spot radio	537,100	6,900
Network radio	3,600	1,198,100
Outdoor	51,000	106,700
Total measured	68,501,700	69,523,600
Unmeasured	129,255,300	130,439,400**
Estimated total*	197,757,000	199,963,000**

*Totals supplied by Esmark
**Restated

ESMARK INC.
Chicago
Marketing Personnel
Donald P. Kelly, president-ceo
Philip L. Thomas, vp-corp communications
Advertising Agency

Dancer Fitzgerald Sample, San Francisco—corporate—Paola Gianturco, vp-mgmt super; David Hill, acct super.

SWIFT & CO.
Chicago
Marketing Personnel
Joseph P. Sullivan, president-ceo
Richard B. Greene, vp-admin
Mary Quirk, director-corp mktg services
Paul Hills, media director
B. Joe Young, vp-genl mgr-cheese
Lee Lochmann, group vp-genl mgr-poultry, processed meats, dry grocery
Roger Warren, vp-genl mgr-dry grocery, poultry
Dennis Des Lauriers, genl mgr-poultry
Dave Sawyer, vp-processed meats
Bruce Gooden, director-mktg-dry grocery
James Neary, director-mktg-processed meats
Ron Mangelsdorf, director-mktg-peanut butter
Randy Irion, mktg mgr-poultry
Tom Giglio, mktg mgr-processed meats
Dennis Fitzgerald, mktg mgr-frozen specialties
Cindy Reid-Rothfelder, mktg mgr-dry grocery
Cara Rosengarden, mktg mgr-dry grocery
Advertising Agencies

Foote, Cone & Belding, Chicago—Peter Pan, Soup Starter, corporate—Paul Vernon, group mgmt super.

Don Costello & Co., Chicago—International Entrees—Dan Bartolon, vp-acct director.

Grey Advertising, New York—Brown 'N Serve, Butterball, Sizzlean, Firebrand, Schickhaus, processed meats—Jeff Stein, mgmt super.

INTERNATIONAL PLAYTEX
Stamford, Ct.
Marketing Personnel
Joel E. Smilow, president-ceo
Walter W. Bregman, president, U.S. Playtex
George Fellows, senior vp-genl mgr, intl intimate apparel
Michael Lorelli, vp-genl mgr, intl family prods
Michael A. Kaufman, vp-genl mgr, intimate apparel div
Gerald M. Lausin, vp-genl mgr, family prods div
William F. Karnbach, vp-genl mgr, Pennaco hosiery div
Carl Epstein, president, Danskin Inc.
C. John Mitchell, acting genl mgr, Jhirmack salon div
George Montaigne, media director
Advertising Agencies

Grey Advertising, New York—domestic and international bras, girdles, Danskin, tampons, nurser—R. Schoenfein, exec vp; J. Stein, senior vp.

Compton Advertising, New York—international bras, girdles—D. Miller, director-business development.

Rosenfeld, Sirowitz & Lawson, New York—Jhirmack haircare products, Round-the-Clock/Givenchy hosiery—S. Humphreys, exec vp; M. Schell, senior vp.

ESTECH INC.
Chicago
Marketing Personnel
Edward R. Vrablik, president
Mark G. Boulanger, group vp-fertilizers
Jim O. Culbreth, vp-agriculture
Ron G. Rimmer, vp-Vigoro and ParEx
R.E. Kelly, vp-industrial and intl
Paul A. Steger, director-fertilizers
Advertising Agencies

Cunningham & Walsh, Chicago—Vigoro—Jim Davidson, senior vp.

Sawyer Advertising, Gainesville, Ga.—Certified Harvest King—Gordon Sawyer, acct exec.

Inter-Ag Associates, Chicago—Certified Harvest King—Ralph Peebler, acct exec.

Stephens, Biondi, DeCicco, Chicago—Bob Comein, acct super.

John Volk Co., Chicago—ParEx—John Volk, president.

STP CORP.
Boca Raton, Fla.
Marketing Personnel
Leo J. LeClair, president-ceo
R. Kruger, category mgr, oil treatment, filters, motor oil
R. Small, category mgr, gas treatment, heavy-duty prods
G. Oulette, category mgr, Son-of-a-Gun.
Advertising Agency

Grey Advertising, New York—all prods—Robert Berenson, vp-mgmt super.

ESCHEM INC.
Chicago
Marketing Personnel
James M. Snodgrass, president
B.J. Twomey, genl mgr, Swift adhesives
Ray O'Byrne, natl sales mgr, Eschem
R.K. Boyd, director-mktg, Eschem
Leo J. LeClair, president-ceo, STP Corp
Jerry Dannecker, vp-sales, STP Corp
Ralph Salvino, vp-racing, STP Corp
Advertising Agencies

Stephens, Biondi, DeCicco, Chicago—Swift adhesives & coatings div—Bob Comein, acct super.

Ray Zeff Agency, Skokie, Ill.—National Wax—Ernie Nordlinger, acct super.

ESTRONICS INC.
Schiller Park, Ill.
Marketing Personnel
Edward F. Anixter, president-ceo
Robert F. Erazmus, president, International Jensen
Bruce R. Maier, group vp-consumer prods
Peter Fredriksen, vp-genl mgr, car audio group
Richard Schaar, vp-mktg, car audio group
Russell E. Trennert, mktg services mgr-car audio group
Liam Drady, vp-sales and mktg, home electronics group
Chuck Wendt, director-mktg services, home electronics group
Advertising Agencies

Benton & Bowles, Chicago—car audio group—Carol Singer, acct super.

Cunningham & Walsh, Chicago—home audio group—Jim Davidson, acct super.

Morning Advertising (inhouse), Columbia, Mo.—Discwasher.

Ford Motor Co.

	1982	1981
Sales	$37,067,200,000	$38,247,100,000
Earnings	(657,800,000)*	(1,060,100,000)
Advertising	313,460,800	286,686,600

*(Loss)

Ford Motor Co., Dearborn, Mich., the 12th largest national advertiser, spent an estimated $313.4 million in advertising in 1982, an increase of 9% over $286.6 million in 1981.

Declining vehicle sales in North America continued to plague Ford, though an improving profits picture in Europe helped to temper conditions. The company lost $1.1 billion in the U.S. and $153 million in Canada. Outside North America it earned $613 million, up 58% from the year before.

Worldwide dollar sales sank by 2.9% to $37.1 billion on sales of 4.3 million units, down 2.3% from the year before. Outside the U.S. and Canada, unit sales rose slightly.

The 1982 losses continued a steady, if slow, improvement in earnings for Ford since 1980's $1.5 billion loss.

Ford managed to increase its car market share slightly in the U.S., reversing a spiral that brought the company to a low of 16.6% of the market last year, down from close to 25% in years past. The share for 1982 inched up to 16.9%, but it came in a severely depressed market.

Light-duty truck share also fell for Ford, which lost its truck sales lead to Chevrolet. Ford got 30% of the truck market, down from 31.4%.

Over-all, Ford sold 2,074,003 vehicles in the U.S. in 1982, down slightly from 2,101,822 the year before. Escort continued to lead the industry as the best-selling car in the U.S.

Ford's measured ad spending increased to $288.3 million from $264.2 million in 1981. Broadcast tv again got the biggest chunk, $151.1 million, up sharply from last year's $113.9 million. Ford's slight rise in product ad spending in 1982 was reflected in a similar rise in market share for the company and a flat sales rate, an improvement on the previous year's decline. Ford division sales fell to 925,490 in 1982 from 977,220 the year before.

Sales improved somewhat among Ford trucks, but not enough to keep the division ahead of Chevrolet for the top-selling truck title.

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See page 117

LNA

in recent memory, Ford turned to upbeat themes for its cars in the introductory period of fall, 1982. "Look out world, here comes Ford," was sung on radio and tv as a theme for the division's entire line.

Escort, EXP, Mustang and Granada wagon got tv attention while other lines were relegated to radio and print. J. Walter Thompson USA also placed spots on cable.

Poor sales soon drew Ford into a rebate program, competing with a GM special interest rate, Chrysler price cuts and AMC rebates.

By winter, the rebate offer on Escort had gained a free maintenance offer: "The closest thing to cost-free driving." That was tied to a 5% rebate instead of the straight-ahead $400. By February, Ford had to add rebate offers on more small cars and trucks of $750 and a whopping $2,000 on the Continental to keep up with similar GM offers.

Ford used actor Telly Savalas to tout a 24-month, 24,000-mile warranty offer tacked on to the 5% rebates in April. But Ford was looking to get off the rebate treadmill for the 1983 model year, said Robert Gillooly, national ad manager.

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Though Ford managed to avoid rebates and special offers on its new models through the fall, it had to borrow a Chrysler technique—freezing prices at the previous year's level—in order to do so. The price freeze in turn made leftover 1982 models less attractive to buyers so Ford stuck special interest rate offers on them, offering 11.9% financing.

Another umbrella popped over the 1983 model in the fall: "Have you driven a Ford . . . lately?" Ford wanted to point to improved quality statistics and the new models (there was really only one—the new LTD—in the fall) without implying the owners of older Fords had missed the boat.

As the only new model, the LTD gained the most ad attention with the theme line, "Have you driven the total car?" Mustang was "One hot piece of American steel." Telly Savalas was back to talk about quality in a separate Escort spot.

Low gas prices kept Ford's big cars moving, which was good for profits but bad for the company's Corporate Average Fuel Economy (CAFE) numbers.

The reskinned Thunderbird, introduced in February, filled a weak spot in the lineup, the specialty coupe. The aerodynamic T-bird got a silent beauty-shot spot well before its introductory date on the Super Bowl telecast. The sporty turbo-coupe Thunderbird, introduced six weeks after the regular version, used ex-racer Jackie Stewart as spokesman.

Ads for downsized Bronco II began running about the same time as the T-bird's. The theme for the Bronco II was, "It's a brand new kick." Ford targeted suburban women buyers in addition to more traditional four-wheel drive users.

As the prime rate began to fall, so did the figures in special interest rate incentives offered by the car companies. Ford followed GM's lead again in April and offered 9.9% financing on Escort, EXP and Ranger. The rates were soon extended through May as small-car sales continued to be relatively soft.

Looking to the 1984 model year intro, Ford executives noted that slow-selling EXP would get a turbocharger for more power and Tempo, just introduced, would also get sportier handling and more power optional.

The introductory theme for the Tempo was "Pick up the Tempo of your life." Ads broke in mid-May. Tv spots started and ended with a shot of the Tempo circling the "o" in a giant sign of its name.

Continental got a tv spot in the "new-wave" style that the Lincoln-Mercury division had helped start the year before. A diamond necklace was lifted off a glamorous neck and tossed into the Continental logo over the traditional spare tire hump on the truck. A voiceover cooed: "The approach, clearly you. The discovery, unexpected. A new Continental . . . the most unconventional Continental in 40 years."

The new four-door Lynx got substantial support. The short headline read, "Missing Lynx." Other heads read, "Handle [illegible]h flair" for LN7, "The great escape" for Capri, "Pleasure cruise" for Marquis and "Fashion shows" for Mark VI. Capri also got a Screenvision 90-second spot for theaters with a "Raiders of the Lost Ark" feel. In the fall, two-thirds of the budget went to tv, the rest to magazines.

The new demand for big cars helped L-M through the fall and winter. The division put extra support behind the full-size Marquis in December.

L-M tied into the Ford car warranty program in late spring with a 24-month, 24,000-mile coverage on most of its cars. It gave the programs its own twist, putting a three-year, 36,000-mile warranty on Lincolns. That was topped off with a 5% rebate.

For the '83 model year, Lincoln was advertised separately from Mercury. Mercury cars continued to get punchy headlines, "Technical knockout" for Lynx, "Accelerate your pulse" for LN7 and "Lands of Ahhhs" for the new Marquis. The same media mix (70% tv, 30% magazine) continued.

Lincoln got away from the "new-wave" look and cute headlines. Continental got a long headline: "The most responsive Continental ever engineered, the finest riding Continental ever built." By the winter, Mercury cars also were getting less "new wave" in their ads. Young & Rubicam, L-M's agency, had begun to tag ads: "Mercury. The substance shows."

Copy for the Topaz took an unusual turn for a car ad, touting safety features. Many corporate image campaigns talk about safety, but the subject doesn't pop up much in ads for individual cars.

Lincoln marketers were looking forward to the fall '84 model year introductory period when they would bring out the Mark VII. A replacement for the boxy, Town Car look-alike Mark VI, the Mark VII returned the Mark line to its original market segment, two-door luxury.

Ford corporate advertising started working on the company's quality image with a campaign from Wells, Rich, Greene. "Quality is Job 1" was the theme for ads and commercials that featured Ford factory workers.

Ford split corporate advertising between Young & Rubicam and Wells, Rich, Greene in the spring, handing the "Quality" campaign to Y&R and giving WRG the "There's a Ford in America's future." A third campaign, "Ford has it. Now," was added in the fall. It starred Jackie Stewart, who talked about driveability and general quality in Ford's new products.

It all ended up back at Wells, Rich, Greene after an ad assignment shuffle. Y&R lost the Q1 and JWT lost the Jackie Stewart campaign. The money from those efforts returned to the agencies as added funds for divisional advertising. Jackie Stewart was kept on as Ford division spokesman.

Lee Miskowski, general marketing manager at Ford division, left to become service programs manager at Ford parts and service division in the spring of 1983. Thomas J. Wagner stepped into Mr. Miskowski's old spot from sales manager at Ford's central region.

Ford parts and service started cranking up its ad effort earlier in the spring of 1983 with a Motorcraft campaign. "Motorcraft exceeds the need," was the theme in futuristic tv spots and magazine ads from Y&R. The campaign was scheduled to get an annual budget of $15 million to $20 million.

Separately, the parts and service division began running a campaign in May for a "lifetime service guarantee." Under the program, consumers would pay for a repair once and the dealership would repair it free thereafter.

In the spring of 1982, Ford Tractor built on the Escort "world car" campaign in ads for the new Series 10 line of tractors. The theme was "Built to take on the world." Tractor sales worldwide continued to fall because of a depressed agricultural market. Ford sold 73,163 tractors in 1982, down from a poor 89,274, the year before.

Ford Motor Land Development Corp. first tried to sell and then reorganized its interest in the ailing Renaissance Center in Detroit.

Ralph Gray

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$45,582,600	$31,989,700
Magazines	58,735,200	55,077,200
Farm publications	3,390,800	2,920,700
Spot tv	22,256,600	22,506,000
Network tv	128,885,400	113,900,600
Spot radio	23,100,100	32,199,600
Network radio	6,462,400	4,368,600
Outdoor	1,185,700	1,213,300
Total measured	289,598,800	264,175,700
Unmeasured	23,862,000	22,510,900
Estimated total	313,460,800	286,686,600

FORD MOTOR CO.
Corporate Marketing Personnel
William P. Benton, vp-mktg
R.C. Reynolds, mgr-corp adv
F.R. Wuellner, mgr-adv communications

Advertising Agency
Wells, Rich, Greene, New York—James B. Lawrence, senior vp, genl mgr/Detroit.

FORD DIVISION
Marketing Personnel
L.E. Lataif, vp-genl mgr
B.L. Crumpton, genl sales mgr
J.L. Pfeifer, exec asst-dealer affairs
T.J. Wagner, genl mktg mgr
J.H. Deimel, light truck sales mgr
D.T. McClure, adv mgr
R.J. Gillooly, natl adv mgr
R.C. Olsen, dealer adv mgr
J.G. O'Connor, merchandising mgr
D.M. Pohlod, vehicle sales promo mgr
T.N. Hynes, training and communications mgr

Truck Operations
E.P. Williams, vp-genl mgr
K. Smith, genl sales mktg mgr-heavy trucks
Carver Wood, heavy truck mktg mgr
R.E. Gray, heavy truck adv and merch super

Advertising Agency
J. Walter Thompson USA, Detroit, Mich.—J.G. Schulte, exec vp, Detroit genl mgr; Bill Lane, senior vp-exec creative director; William Jeanes, senior vp, Ford acct director; G.B. Niemi, senior vp-truck mgmt super; Hugh Trenkamp, senior vp-Ford dealer adv; D.L. Sinclair, vp-mgmt super/car; W.A. Gelgota, acct super/car; R. Gamble, senior vp-media director.

LINCOLN-MERCURY DIVISION
Marketing Personnel
Gordon B. MacKenzie, vp-genl mgr
Robert L. Rewey, Jr., genl sales mgr
B.J. Coughlan, genl mktg mgr
J.B. Vanderzee, adv mgr
John T. Treter, merch mgr
Thomas C. Shopoff, adv media coordinator
Forrest H. Brown, major market/dealer adv mgr

Advertising Agency
Young & Rubicam, Detroit, Mich.—William A. Power, senior vp-genl mgr; Roby Harrington, exec vp-regional director; John Sanders, senior vp-director client services; Chuck Riley, vp-group director L-M; Bob Colgan, vp-group director LMDA; Greg Stein, vp-mgmt super L-M adv; George Bok, acct super L-M planning; Tim Hart, vp-acct super-Lincoln; Warren Winstanley, vp-acct super-Mercury; George Bak, acct super/planning; Tim Cooney, senior acct exec; Mark Moyer, senior acct exec; Sandy Rowland, acct exec; Ron Zarowitz, acct exec L-M planning; Rich Murphy, acct exec; Ken Pool, vp-media director.

FORD PARTS & SERVICE DIVISION
Marketing Personnel
C.V. Barion, genl mgr
L.R. Miskowski, service programs mgr
K.W. Myers, prod and mktg mgr
M.L. Jones, mktg mgr
D.P. Richardson, adv mgr

Advertising Agency
Young & Rubicam, Detroit, Mich.—Robert Colgan, vp-acct director; Robert Sontag, vp-mgmt super; T.J. Ryan, acct super-parts; Tom Moran, acct exec; Martin Schemm, acct super-service; Carol Conestraight, acct exec.

NORTH AMERICAN
SALES OPERATIONS
FORD TRACTOR OPERATIONS
Marketing Personnel
M.H. Manning, vp-genl mgr
R.C. Leary, asst genl mgr-sales/mktg
R.J. Nicolazzi, genl operations mgr
J.J.L. Johnson, genl sales mgr
J.N. Chuchman, mktg mgr
A.H. Pridgeon, adv/sales promo mgr

Advertising Agency
Meldrum & Fewsmith, Southfield, Mich.—Dean Neill, exec vp; O. Leffler, senior acct exec; J. Bryan, acct exec; M. Shencopp, acct exec.

FORD MOTOR CREDIT CO.
Marketing Personnel
J.W. Ford, chairman of the board
K. Whipple, president
W.P. Conners, exec vp-North American Automotive financing operations
J.G. Duff, exec vp-diversified operations
R.B. Updegraff, exec vp-intl operations
L.C. Larkin, vp-insurance operations
S.M. Poth, vp-mktg and operations services
T.J. Elsholz, mktg and business devel
P.E. Murphy, mktg and operatons analysis mgr
D.R. Forsyth, business devel and sales training mgr

Advertising Agency
Wells, Rich, Greene, New York East—Edward Wax, exec vp-mgmt group head.

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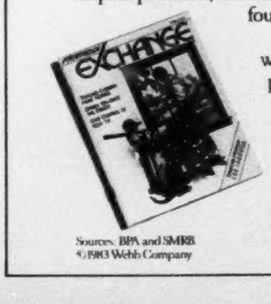

FRIENDLY EXCHANGE

Sources: BPA and SMRB
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E&J Gallo Winery

	1982	1981
Sales*	$620,000,000	$590,000,000
Earnings	NA	NA
Advertising*	42,893,900	35,996,100

*AA estimate

E&J Gallo Winery, Modesto, Cal., the 99th largest national advertiser,

100

spent an estimated $42.9 million on advertising in 1982, a 19% increase from 1981 expenditures of $36.0 million.

This is the first time since our 1978 report that the nation's largest wine producer has been in the ranks of the 100 leading advertisers. In that year, Gallo spent an estimated $22 million.

The privately-held company does not release sales and earnings figures, nor does it discuss market shares. But wine industry sources estimated sales, based on an approximate 4.5% increase in shipments during 1982 over the previous year, at about $620 million. The company still has a virtual lock on the U.S. wine market despite increased competition from Coca-Cola Co.'s Wine Spectrum. Gallo accounted for 26.7% of total U.S. wine shipments in 1982, its highest share since 1977, when it held 27.5% of the market. Gallo wines hold a 38.2% share of the big California market.

Gallo's shipment gain, though less than its 7.5% increase in 1981, was in line with its 4% average annual compound growth rate from 1975 to 1980, though a drop from its 7.5% increase in 1981. The winery shipped about 137.3 million gals. of wine in 1982, vs 131.4 million gals. the previous year. Gallo achieved these gains despite a virtually flat U.S. wine market last year, a difficult economic climate that fostered intense price competition among both foreign and domestic wine producers and major advertising investments by competitors.

Much of Gallo's increase occurred in the fourth quarter of 1982, reversing an unusual 0.3% drop in shipments during the first half of the year. Perhaps spurred by these early results, the family-owned company petitioned the Federal Trade Commission to rescind a 1976 order barring it from imposing exclusive dealerships and territorial arrangements with wholesalers. In its petition, Gallo maintained the wine industry had evolved into a more competitive marketing environment bearing little resemblance to what existed in 1976, when the FTC came down on the winery for what it termed "exclusionary market policies" with its distributors. In spring, 1983, the restriction was removed. Meanwhile, Gallo recouped its losses with a big surge in wine shipments during the latter part of the year. The bigger news, however, came in the first part of 1983. Gallo shipments were up 13% during the first four months, an increase of about 5.4 million gals. The increase occurred in an otherwise almost totally flat California wine market. Said one analyst: "Take Gallo away and the California market looks sick."

Gallo introduced one new product late last year, Andre Brut Champagne, an extension of its Andre line, which already accounts for about one out of every three bottles of sparkling wine consumed in the U.S. The Brut, introduced in San Diego and Modesto, was backed by spot tv featuring wine writer William Kaufman extolling the product's dryness. The wine, priced about $1 higher than the company's leading extra dry brand, is still in test markets.

Shipments of Andre sparkling wines have been growing at almost 10% annually for the past five years and registered a 10.2% increase last year over 1981. Measured spending for Andre, 100% budgeted to television, grew by about 18% in 1982. Most spots featured Gallo's familiar holiday bells jingle. The company continues to challenge Jos. E. Seagram & Sons' Christian Brothers for the No. 1 spot in the brandy business. Gallo, which started producing E&J Brandy in 1976, increased its shipments from 2.2 million gals. in 1981 to 2.7 million gals. last year, an increase of 22%, while CB slipped 21%, from 4.4 million gals. to 3.5 million gals., during that same period. Depletion figures compiled by industry analysts show that Gallo's share of the brandy business grew from 11% in 1981 to 14% last year, while CB's portion fell from 22% to 21%. Figures for the first five months of 1983 show Gallo shipments exceeding Christian Brothers by about 250,000 gals. Analysts suggested that the winery's growing interest in the brandy business stems from the profit potential of the business and the fact that brandy-making uses a lot of grapes—providing a perfect answer for recent surpluses.

Gallo supported E&J brandy with an estimated $3 million advertising effort, more than half budgeted to magazine and the rest to outdoor and newspaper ads conveying the message: "You're only an E&J away from a perfect day." Needham, Harper & Steers, Los Angeles, the agency that created the campaign, took over Gallo's brandy business from Leber Katz Partners in June, 1982, two months after the winery named the Chicago office to handle Andre and premium wines. In October, Ogilvy & Mather, San Francisco, which already handled the company's varietal wines and corporate advertising, took over its premium wines as well. Needham, meanwhile, moved the brandy, champagne and new products business to its Los Angeles office because of "servicing requirements."

Ogilvy, which now handles about $25 million worth of Gallo business, is responsible for the "All the best" theme created to unify the company's advertising. The campaign is credited with winning the agency the premium wine business from Needham. Young & Rubicam handled most of Gallo's wine advertising from 1967 through August, 1981, when it resigned to take on Heublein's United Vintners (now Heublein Wines). At the time, Sid Marshall, head of Y&R's Los Angeles office, said the agency had become increasingly annoyed by Gallo's "interviewing a lot of other agencies while we were doing the work." Following the resignation, Ogilvy; Wells, Rich, Greene; Leber Katz Partners, and McCann all vied for the business over a period of several months. Meanwhile, Ogilvy aired spots for various varietals including several described as "basic awards stories" zeroing in on medals Gallo wines have won in international tastings and the quality of the grapes used. The campaigns for varietals and premium wines have continued the winery's push to create a quality image for its Cellars of Ernest & Julio Gallo and Gallo premium wines.

Gallo's spending on Carlo Rossi wines increased to almost $1 million, (all spot tv), from about $600,000 (two-thirds network) in 1981. A 30-second spot testing in Denver surprised industry experts who thought comparative wine commercials were on the way out. The spots featured Mr. Rossi comparing his lower-cost wines to the premium-price Inglenook chablis and suggesting: "If you can't taste the difference, why pay the difference?"

The battle between Gallo and Atlanta-based Coca-Cola Co. appears to be heating up. Soon after Coke's Wine Spectrum started test marketing Vivante, an economy-price wine competitive with Gallo's Carlo Rossi, the Modesto winery launched Polo Brindisi, a Riunite-like product expected to fill a market niche between the sweeter Italian wines and the more traditional California generic wines. In development for four years, the brand is apparently Gallo's response to the success of lambrusco and other Italian imports in the U.S. marketplace. It is being tested in 20 markets, including Sacramento, Cal., New Orleans, upstate New York, Milwaukee, Phoenix, Maine and Connecticut. A tv campaign in selected markets advises: "Open the Polo, tastes so light 'n' easy. Enjoy both as a cocktail or with meals." Ad spending is estimated at between $1.5 million and $2 million. Most industry watchers won't venture a guess on how well the new entry will do. But said one, "Nine times out of 10, when Gallo introduces something, it has an impact."

Over-all, Gallo increased spending in network tv to $26.4 million, compared with $24.3 in 1981. It more than quadrupled its expenditures in spot tv to $4.4 million from $1 million.

Was

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Spending in newpapers, magazines and outdoor did not change significantly.

Ruth Stroud

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$964,700	$900,200
Magazines	1,585,800	1,453,900
Spot tv	4,474,700	1,032,600
Network tv	26,411,600	24,354,400
Spot radio	—	9,800
Outdoor	857,100	1,045,200
Total measured	34,293,900	28,796,100
Unmeasured	8,600,000	7,200,000
Estimated total	42,893,900	35,996,100

E.&J. GALLO WINERY

Marketing Personnel

Ernest Gallo, chairman
Julio Gallo, president
A.P. Fenderson, exec vp-director of mktg
K.C. Bertsch, vp-sales director
Sue McClelland, media director

Advertising Agencies

Needham, Harper & Steers, Los Angeles—E&J Brandy, Andre Extra Dry Champagne, Andre Brut Champagne, Polo Brindisi, Carlo Rossi, Boone's Farm Postaer, exec vp-creative services director; Tom Ruffino, mgmt rep.

Ogilvy & Mather, San Francisco—Ira Zuckerman, vp-management super; Hal Riney exec vp-managing director/creative director; Bruce Campbell, vp-assoc creative director.

Adelante Advertising, New York—Thunderbird wine, Night Train Express, advertising to black markets—David Krieger, exec vp-acct super; Mike Psaltis, vp-acct super.

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Bayside, N.Y. 11364
(212) 428-1639

General Electric Co.

	1982	1981
Sales	$26,500,000,000	$27,240,000,000
Earnings	1,817,000,000	1,652,000,000
Advertising*	159,000,000	164,696,300

*AA estimate

General Electric Co., Fairfield, Conn., the 40th largest advertiser in the U.S., decreased its over-all advertising spending 3% in 1982, to $159 million.

The lingering recession and a drop off in consumer spending forced the company to drastically reduce its individual product advertising and focus instead on multiproduct promotion and general image-building during 1982.

Once again, however, the largest segment of advertising dollars went to its consumer products sector.

Spending levels in 1982 increased from the previous year only for newspaper supplements and outdoor advertising. Advertising in all other mediums declined, and total measured spending was down 32%. Network radio was down the most compared to 1981 and network tv declined the least (down only 3% to $29 million). Spot tv declined 63.4% to $3.2 million, magazines dropped 47% to $10.3 million and newspapers fell 409% to $6.1 million.

Earnings in 1982 rose by 10% to $1.8 billion. Sales, however, declined 3% to $26.5 billion.

General Electric officials were forecasting improved earnings for 1983 based on an upturn in the economy and consumer spending.

First-quarter earnings for 1983 were $425 million, up 13% from the first quarter in 1982, while sales were up 1% to $6.1 billion.

In 1982, GE continued to shift more of its emphasis outside the traditional electrical manufacturing business to fast growing high-technology and service markets. Three-fourths of GE's earnings came from electrical manufacturing in the 1970s compared with just 40% (or $600 million) in 1982. GE's greatest earnings growth has come from such nontraditional businesses as services (providing 21% of the company's earnings in 1982 compared with 14% in 1970), materials (28% earnings last year compared with 8% in 1970) and aircraft engines (9% of 1982 earnings vs. virtually no contribution in 1970).

The shifting emphasis has come about particularly in the past two years. GE has cut 118 deals, whether acquisitions, joint ventures or the creation of new companies, while disposing of 71 businesses that did not fit into its business strategy. These transactions involved $1.5 billion: Roughly $1 billion for acquisitions and $500 million received for dispositions.

The most significant transaction, announced in late January, is the proposed sale for about $2.4 billion of most of GE's holdings in Utah International Inc. to The Broken Hill Proprietary Co., an Australian industrial and natural resources company.

In the consumer products sector, GE's revenues were down from $6.6 billion in 1981 to $5.9 billion in 1982. Net earnings also were down from $292 million in 1981 to $239 million in 1982. A majority of the sector's ad budget in 1982 was used to expand the over-all brand campaign, "We bring good things to life" begun in 1981, focusing on nonconsumer businesses and services, including GE's computer information service, computer-aided design equipment, and CAT scanner equipment.

Richard A. Costello, manager of marketing for consumer products, explained that the company saw the lull caused by the recession as a time to heighten public awareness of GE as a major supplier of nonconsumer products, which account for 70% of the company's business.

In 1982, GE launched the second in its series of "warm feelings" tv commercials, focusing on how to improve home lighting and how to rejuvenate the major appliances in a kitchen. Two of GE's newest consumer-oriented services: The "Quick Fix" systems of do-it-yourself major appliances repair and the 24-hour consumer telephone Answer Center, also were introduced.

New products, which received $1 million or more in spending included the energy-efficient Miser light line and the Dual Wave microwave oven. In 1983, the consumer products sector will maintain its multiproduct and brand campaigns while accelerating its spending on individual products, particularly a large number of new products being introduced this fall. New products, which will receive $1 million or more in ad support, include each of a new line of space-saver kitchen appliances (a drip coffee maker, electric knife and can opener) which will be promoted separately and collectively; GE's new line of telephones (with memory, redial, clock radio and cordless features); several new electronically controlled dishwashers and GE's 22-cu.-ft. refrigerator (which was introduced late last year but will be advertised for the first time this fall).

Lighting sales and earnings were down in 1982. While housewares and audio sales were down, earnings in 1982 increased significantly as benefits of world product programs began to be realized.

Broadcast and cable tv revenues and earnings showed continued growth. Tv sales were flat, and, despite higher unit volume, operations resulted in a loss due to highly competitive conditions and depressed pricing.

GE made drastic reductions in ad spending in 1982 on the following products: Home air conditioning and heating, CB radios, color tv sets, digital clock radios, dishwashers, refrigerator-freezers, room air conditioners, walk-around radio and cassette players and washer/dryers.

GE spent no advertising dollars at all on beauty appliances, coffee makers, irons, stereo systems, microwave ranges, projection tv, radios and clock radios, ranges and microwave ovens and toaster ovens.

It did, however, spend 42% more advertising dollars (or $20,700) in 1982 on automotive products, 151% more (or $8.1 million) on home light bulbs and 137% more (or $2.6 million) on rechargeable battery systems.

GE also spent $2 million on advertising of major appliances in 1982 (up by 542% from 1981), $4.2 million on microwave ovens (down from $9.9 million in 1981), $10 million on multiproduct advertising (down from $21.3 million in 1981), $1.8 million on tv and videotape systems (from virtually nothing in 1981) and $4.6 million on general company promotion (up from $3 million in 1981).

Bart Snider, project manager for corporate marketing, said GE has been attempting to determine how to "do a brand job in advertising for the other 80% of the company." As a result, GE later this year and early in 1984 will launch a new commercial and industrial campaign that will use media outside the narrowly focused trade publications to familiarize a broader range of professionals with GE's other sectors.

The continuing reorganization of its industrial products sector—all components of which have been reassigned to technical systems, services and materials, and power systems sectors of the company—resulted in the movement of industrial products executive vp Louis V. Tomasetti to executive vp and sector executive of the Power Systems sector, replacing Herman R. Hill, who retired after 41 years with GE.

GE Credit Corp., under the direction of Ogilvy & Mather, launched a new $3 million advertising campaign April 1, 1983.

Using mainly business-oriented print and tv placement, the campaign is directed toward high-level executives and promotes the credit corporation as a diverse, one-stop shopping opportunity for business. The campaign slogan is "Creating Money for Business."

Barton Ladd, vp-marketing for GE Credit Corp., said the campaign, which will continue through the first quarter of 1984, has generated 5,000 direct response inquiries to the ads, via coupons and a toll-free telephone number. The success of the campaign has led the company to adopt a more aggressive marketing stance that will involve a follow-up campaign early next year.

Diane Mermigas

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$6.054,100	$10,065,400
Magazines	10,313,800	19,164,400
Spot tv	3,241,900	8,867,300
Network tv	28,966,600	29,995,800
Spot radio	399,700	1,928,500
Network radio	177,400	2,513,200
Outdoor	352,200	214,900
Total measured	49,505,700	72,749,500
Unmeasured	109,494,300	91,946,800
Estimated total	159,000,000	164,696,300

Corporate Marketing Personnel

Leonard Vickers, vp-corp mktg
Karl L. Koss, mgr-corp adv
Barton Snider, project mgr
E.J. Clark, mgr-educational communications programs
A.C. Walker, media coordination

CONSUMER PRODUCTS SECTOR

Marketing Personnel

R.A. Costello, mgr-consumer mktg
W.D. Rayer, mgr-lamp prods
V. Alcott, mgr-major appliances
W.L. Courtney, mgr-housewares
N.R. Huey, mgr-audio electronics
R. Richman, mgr-video prods

Advertising Agencies

BBDO, New York—corp, brand image, video, major appliances, consumer lighting, housewares and audio—F. Perkins, exec vp.

Lawler, Ballard Advertising, Norfolk—tv trade adv—H. Austin, vp-genl mgr.

Griswold, Inc., Cleveland commercial and industrial lighting Douglas Dawson, acct super.

Hesselbart & Mitten, Akron, O.—consumer trade and overseas lighting dept—Dennis Soltis-senior vp.

Symond Hillard, New York—Hotpoint—John Sheedy, pres.

KNOW THY COMPETITION

See page 117

LNA

General Foods Corp.

	1982	1981
Sales	$8,256,400,000	$8,351,100,000
Earnings	288,500,000	259,300,000**
Advertising*	429,070,000	486,294,000

*AA estimate
**Restated

General Foods Corp., White Plains, N.Y., the sixth largest national advertiser, reduced its ad spending 11.8% to an estimated $429.1 million in 1982.

The company noted that even though total ad and promotional expenditures were lower in fiscal 1983 ended April 2, the ratio of ad expenditures to net sales was about the same level as the previous year, when sales were 1.1% higher. GF's worldwide drop in revenues to $8.26 billion in fiscal 1983, however, was countered by an increase of 11.3% in earnings to $288.5 million.

A slightly different picture emerged in GF's financial results for the first quarter of fiscal 1983 with the company reporting a 2.9% drop in net earnings to $59.7 million from $61.5 million the first quarter a year ago, and a 3.7% improvement in sales to $2.14 billion from $2.06 billion a year ago.

Late in 1982, GF had to do some fancy footwork to convince industry analysts that it had no intention of leaving the pet foods business, as had been rumored. The company began running a color spread ad in a number of business publications with the headline, "The new breed at Gaines." The copy referred to the heritage of Gaines and how it had been experiencing substantial gains in an industry in the doldrums.

The company, however, did drop one of its ad agencies—Grey Advertising—of the pet division roster. It also cut ad spending from nearly $40 million to about $23 million, concentrating on Gainesburgers and Gravy Train while dropping support of Cycle and Top Choice.

The glamor story for the year was the success of Jell-O Pudding Pops, which reached $100 million in retail sales in its first full year of distribution.

Other successes include aspartame-sweetened Kool-Aid drink mixes and Crystal Light drink mix, also sweetened with aspartame. Both drink mixes greatly exceeded the company's sales expectations.

The year also marked the completion of GF's acquisition of Entenmann's Inc. from Warner-Lambert Co. for $315 million. GF believes it can easily expand Entenmann's products from their present 36% national coverage to 60% using GF's distribution mechanism.

GF announced in January, 1983, it would purchase for less than $10 million two cheese distributors—Otto Roth & Co., Moonachie, N.J., and Peacock Foods, Los Angeles—which complement GF's purchase in 1982 of the cheese operations of Borden Inc., Van Wert, O. Combined sales of these distributorships are estimated at about $75 million.

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During fiscal 1983, GF's four product segments turned in mixed performances. Net sales for package grocery products, which generate 40.9% of total sales, increased 1.4% to $3.38 billion.

By contrast, operating earnings increased by 15.4% as a result of the significant turnaround in GF's reconfigured pet foods business, more sharply focused spending on development products in new categories and the inclusion of earnings from Entenmann's.

Volumes of Post brands reached the highest in history. Not surprisingly, the market share for GF cereals increased from 15% in 1981 to 16% in 1982.

The company noted that Raisin Grape-Nuts cereal and Honey Nut Crunch raisin bran further strengthened the important Post brands of Grape-Nuts and Raisin Bran. Smurf-Berry Crunch and Strawberry Honeycomb were also proving to be highly successful as new children's cereal products.

GF supported its cereals with considerable expenditures. Post Fruit & Fibre cereal received $10.9 million in measured media support while Raisin Grape-Nuts received $10.5 million. Together they had 4.1% of the market. GF's best-selling cereal, Raisin Bran, had 2.8% share of the market and received $5.8 million in measured media support.

The pet foods division registered record operating profits in fiscal 1983, compared with a loss the previous year. The division was restructured to reduce operating costs and to focus marketing and product improvement efforts on major brands: Gravy Train, Gainesburgers, Top Choice and Cycle. Later in the year, GF narrowed this down even further to Gravy Train and Gainesburgers.

Gravy Train canned dog food received $8.4 million in measured media support and increased its share of the dry dog food market from 6% in 1981 to 7% in 1982. Gainesburgers received $9.8 million in measured media support and while dollar sales decreased from $73 million in 1981 to $71 million in 1982, market share actually increased, from 26% to 27.5%, because of the sharp drop in sales in the moist dog food category.

Tang instant breakfast drink received $9.9 million in measured media support in fiscal 1983, a drop of nearly $1.4 million from the previous year. Similarly, Kool-Aid unsweetened drink mix, which had received $11.3 million in fiscal 1982, saw a decrease of $6.9 million. By contrast, Kool-Aid presweetened mix experienced an increase in ad support—from $10.8 million to $11.5 million.

GF went national with its aspartame-sweetened Kool-Aid drink mixes, and introduced a new line of drink mixes, Crystal Light. Also sweetened with aspartame, Crystal Light is expected to reach national distribution next year.

Grocery coffee continued to hold a dominant position in the market with net sales of $2.29 billion, contributing 30.8% of total revenues. Regular coffee increased its market share to 34.8% from 34% the year before, while instant brands lost some ground, dropping from 45.9% in fiscal 1982 to 45.7% in fiscal 1983. In the regular segment, Maxwell House Master Blend had the best jump in market share, moving from 5% to 6.9%. GF supported its Master Blend campaign with $19.9 million in measured media spending, 72% of which was allocated to network tv.

Brim, Maxwell House and Sanka together received $58.7 million in measured media spending, mostly network tv. Sanka instant had a 10.5% share of the instant market, Maxwell House a 22.9% share and Brim a 4.3% share. In the regular market, Maxwell House continued to trail Procter & Gamble's Folger's (23.0%) with 19.5% of the market.

GF expects continued growth in the decaffeinated segment and points out that two of its products, Ground Sanka and Ground Brim, are now distributed in nearly 30% of the market.

Another area that showed promise was General Foods International Coffees, which received $12.2 million in measured media support. A new flavor, Cafe Amaretto, has shown success in the market, the company said.

GF's acquisition of Oscar Mayer in 1981 is already paying off, the company said.

The processed meats division, which includes Oscar Mayer, contributed $1.56 billion, or 18.9% of total GF sales, up 14.7% from the previous year's total of $1.36 billion. Oscar Mayer cold cuts received $6.1 million in measured media support, while wieners received $5.8 million.

Foodservice and other businesses contributed $1 billion or 10.1% of GF's total revenues. Fiscal 1983 net sales decreased 8% because of the lower volumes resulting from the depressed economy and absence of sales from divested U.S. and Canadian businesses.

Of the company's $349.3 million in measured media support, the largest share went to network tv—$232.3 million, or 66.5% of total expenditures in the category—but the amount was 2.5% less than the previous year. Spot tv received $70.8 million, down 15.7% from fiscal 1982. Another major spending category included newspapers, but the $29.7 million spent was 20% below that of the previous year.

GF decided in late 1982 that it would cut back its daytime advertising on network tv and accelerate its already active support of alternative media.

According to Broadcast Advertisers Report, GF spent $73.9 million in daytime network tv. The cancelations, it is believed, will amount to between 3% and 8% of this total.

Udayan Gupta

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$4,700,000	$6,175,8000
Magazines	29,746,500	37,165,200
Spot tv	70,799,100	84,034,900
Network tv	232,349,400	238,297,900
Spot radio	4,744,500	6,422,600
Network radio	7,002,200	5,582,000
Outdoor	—	12,000
Total measured	349,341,800	377,690,400
Unmeasured	79,728,200	108,603,600
Estimated total	429,070,000	486,294,000

GENERAL FOODS CORP.

Marketing Personnel

James L. Ferguson, chairman-ceo
Philip L. Smith, president-chief operating officer
E.R. Shames, exec vp/president-GF intl operations
D.J. Keller, exec vp/coffee and foodservice
W.F. Dordelman, group vp-planning and devel
J.M. Hiegel, exec vp-ceo/Oscar Mayer Foods Corp.
R.L. Seeler, group vp/president-package convenience foods
J.M. Keenan, corp group vp/president-GF Europe
F.R. Mitchell, vp-mktg staff
T.E. Duesler, vp-sales
D.W. Johnson, vp/president-ceo, Entenmann's Inc.
R.E. Haynes, creative services director
D.K. Braun, media services director
W. Shaw, promo services director

BASIC FOODS & BAKED GOODS SECTOR

Marketing Personnel

J.C. Tappan, group vp

BREAKFAST FOODS DIVISION

Marketing Personnel

T.J. Kerskovits, genl mgr
D.J. Gustin, mktg mgr-cereals
J.K. Kramer, devel mgr
G.W. Cook, natl sales mgr

Advertising Agencies

Ogilvy & Mather, New York—Alpha Bits, Pebbles, Super Sugar Crisp, Post Toasties, Honey Nut Crunch Raisin Bran, Fruit & Fibre, Post Bran Flakes, Raisin Grape-Nuts, Post Tens, Post Treat Pak, new prods—Brendan Ryan, senior vp-group director.

Grey Advertising, New York—Post Raisin Bran, C.W. Post Family Style cereals, Grape-Nuts, Honeycomb, Grape-Nuts Flakes, Fortified Oat Flakes, Strawberry Honeycomb—Richard F. O'Brien, exec vp-mgmt rep; Milt Weinstock, vp-mgmt super.

Ted Bates Advertising/New York—Log Cabin—Hal Pearson, senior vp-mgmt super and mgmt rep; Michael Passet, acct super.

ENTENMANN'S INC.

Marketing Personnel

D.W. Johnson, GF vp/president-ceo

GAINES PET FOODS DIVISION

Marketing Personnel

R.L. Cobb, GF group vp/group exec-genl mgr
R.J. Pizzuti, mktg mgr
G.W. Cook, natl sales mgr

Advertising Agencies

Young & Rubicam, New York—Gainesburgers, Top Choice, Puppy Choice, Prime Variety—Jane Brite, mgmt super; Ken Robinson, acct super.

Benton & Bowles, New York—Gaines professional services, Gravy Train, Cycle, Gaines Meal dry dog food—John Boyd, mgmt super.

COFFEE/FOODSERVICE SECTOR

D.J. Keller, exec vp, coffee & foodservice

MAXWELL HOUSE DIVISION

D.J. Keller, GF exec vp/president-coffee and foodservice
S.B. Morris, GF vp/genl mgr
C.R. Hummel, director-long range planning
M. Crosby-Jacobs, category mgr-segmented brands
J.W. Johnson, category mgr-Maxwell House
C.A. Phillips, category mgr-modified coffees
J.P. Morrissy, director-external affairs
L.A. Nelson, natl sales mgr

Advertising Agencies

Young & Rubicam, New York—Sanka—Jane Brite, mgmt super; Ann Zopfi, acct super; GF International Coffees—Dave Cramoy, mgmt super; Barbara Jack, acct super.

Ogilvy & Mather, New York—Maxwell House brands—Mary Lou Pritchett, vp-mgmt super.

Benton & Bowles, New York—Brim, Yuban—Barry Webster, mgmt supr.

Ted Bates Advertising/New York—Maxim, Mellow Roast—Hal Pearson, senior vp-mgmt super and mgmt rep; Lucy Kennedy, acct super.

FOODSERVICE DIVISION

Marketing Personnel

B.G. Laragh, GF vp-div president
E.S. Caso, operating and logistics director
A.R. Plassche, mktg and devel director
B.R. Bramen, natl sales mgr

Advertising Agencies

Ketchum Communications, New York—Walter Kaprielian, president; Thomas Miller, exec vp; Donald Burkett, acct super.

Young & Rubicam, New York—Larry Shapiro, group director.

PACKAGE CONVENIENCE FOODS SECTOR

Business Divisions

R.L. Seelert, group vp-package convenience foods business divisions

BEVERAGE DIVISION

Marketing Personnel

R. Sansone, GF vp-genl mgr
J.S. Cunningham, mktg mgr
J.M. Kilts, devel mgr
R. Wesolowski, sales mgr
A.E. Wamsley, natl sales mgr

Advertising Agencies

Young & Rubicam, New York—Tang, Orange Plus, Awake, Postum—William Green, mgmt super; Tim Pollak, acct super.

Ogilvy & Mather, New York—Country Time—Brendan Ryan, senior vp-group director; Ed Vick, vp-mgmt super.

Grey Advertising, New York—Kool-Aid—Hunter Yager, exec vp-mgmt rep; Malcolm Mace, Carol Herman, mgmt supers.

BIRDS EYE AGRICULTURAL PRODUCTS DIVISION

Marketing Personnel

E.R. Fencl, genl mgr
S.B. Torgesen, asst genl mgr
N.J. Kelly, mktg mgr
P. Gools, sales devel and planning mgr
A.E. Wamsley, natl sales mgr

Advertising Agency

Young & Rubicam, New York—Birds Eye vegetables, Quick Thaw fruits—Ed Comiskey, mgmt super; Richard Bodge, acct super.

DESSERTS DIVISION

Marketing Personnel

K.E. Fulton, GF vp/group exec
R.E. Viault, director of mktg
E.H. Reynolds Jr., sales mgr
E.D. Thibeault, natl sales mgr

Advertising Agencies

Young & Rubicam, New York—Jell-O cheesecake mix, Jell-O Pudding Pops, Jell-O puddings and pie fillings, Jell-O Instant Pudding, Jell-O Americana desserts—Matthew Crisci, mgmt super; Jim Hood, Joe Tilly, Phil Asche, acct supers.

Benton & Bowles, New York—Cool Whip, Dover Farms—Norman Sherman, mgmt super.

Grey Advertising, New York—Baker's Chocolate, Baker's Coconut, D-Zerta, Dream Whip, Minute Tapioca, Calumet, Certo, Sure-Jell—Hunter Yager, exec vp-mgmt rep; Jack Frantz, senior vp-mgmt rep; Jerry Zaret, vp-mgmt super.

MAIN MEAL DIVISION

Marketing Personnel

C.J. Bowen, genl mgr
L.D. Juliber, mktg mgr
V.B. Elkind, devel mgr
E.T. Thibeault, natl sales mgr

Advertising Agencies

Ogilvy & Mather, New York—Shake 'n Bake, Open Pit—John Blaney, vp-group director.

Grey Advertising, New York—Minute Rice, Minute Rice Mixes, Stove Top stuffing mix, Oven Fry coating—Hunter Yager, exec vp-mgmt rep; Jack Frantz, senior vp-mgmt rep; G. Thomas Ayderlotte, vp-mgmt super.

Ted Bates Advertising/New York—Good Seasons salad dressing mixes—Hal Pearson, senior vp-mgmt super & mgmt rep; Michael Passet, acct super.

OSCAR MAYER SECTOR
OSCAR MAYER FOODS CORP.

Marketing Personnel

J.M. Hiegel, GF exec vp/president-ceo
W.H. Korab, GF vp/group vp
J.W. McVey, GF vp/exec vp
R.L. Tolleson, GF vp/exec vp

Advertising Agencies

J. Walter Thompson USA, Chicago—all lines except Louis Rich brands—John Furr, senior vp-group acct director; Tom Goettsche, vp-acct director; Rich Anderson, vp-senior acct super; Bill Minor, acct super; Jody Solomon, Steve Swanson, Steve Weiss, acct reps.

Tatham-Laird & Kudner, Chicago—Louis Rich brands—Thomas Schafer, Linda Garrison, mgmt supers; Ed Steffes, Rawdon Parry, acct supers; Joe Dollens, Dick Salyer, acct execs.

CHEESE DIVISION

Marketing Personnel

W.G. Harris, genl mgr
H.L. Brody, director of devel and business planning
Andre Jaeckle, exec vp, Otto Roth Co.
F. Jaeckle, exec vp, Otto Roth Co.
A.M. Bond, sales mgr

TOP 25
Magazine advertisers

Rank	Advertiser	Expenditures 1982	Expenditures 1981
1	Philip Morris Inc.	[illegible]	[illegible]
2	R.J. Reynolds Industries	[illegible]	[illegible]
3	General Motors Corp.	[illegible]	[illegible]
4	Batus Inc.	[illegible]	[illegible]
5	Seagram Co. Ltd.	[illegible]	[illegible]
6	Ford Motor Co.	[illegible]	[illegible]
7	Sears, Roebuck & Co.	[illegible]	[illegible]
8	AT&T Co.	[illegible]	[illegible]
9	American Brands	31,779.5	34,947.0
10	Time Inc.	30,705.7	36,455.2
11	Procter & Gamble	29,965.4	35,737.4
12	General Foods Corp.	29,746.5	37,165.2
13	Loews Corp.	28,955.4	[illegible]
14	Volkswagen of America	28,579.5	24,173.5
15	Johnson & Johnson	28,535.4	22,316.6
16	CBS Inc.	28,248.0	29,552.0
17	Norton Simon Inc.	26,742.3	[illegible]
18	Dart & Kraft	26,110.3	31,175.9
19	U.S. Government	25,631.1	17,048.0
20	Chrysler Corp.	25,582.2	25,197.2
21	Bristol-Myers Co.	[illegible]	23,646.5
22	GrandMet USA	25,205.7	19,788.2
23	Warner Communications	24,929.6	21,091.7
24	Hiram Walker Resources	[illegible]	23,230.6
25	RCA Corp.	[illegible]	[illegible]

Source: Leading National Advertisers, farm publications not included.

General Mills

	1982	1981
Sales*	$5,550,800,000	$5,312,100,000
Earnings*	245,100,000	225,500,000
Advertising**	244,363,700	207,306,100

*Fiscal year ended May 30
**AA estimate

General Mills, Minneapolis, the nation's 21st largest advertiser, increased its ad spending 17.9% to $244.3 million in 1982 from $207.3 million in 1981.

The company had net earnings of $245.1 million in fiscal 1983, up 8.7% from the previous year, on sales of $5.5 billion, up 4.5%.

Over-all ad spending for Big G cereals during calendar 1982 was about $74.8 million, up from $61.6 million

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in 1981. Much of that increase was due to the introduction of new products.

The company, for example, made several thrusts in the current children's cereal category battle. Last fall, Strawberry Shortcake cereal, marketed on a single-order basis in selected markets during 1981, was introduced nationally with enormous initial success, capturing about 0.5% of the $3.5 billion ready-to-eat cereal market. But subsequent entries based on popular children's characters—all intended to provide immediate product identity to quickly capture a new generation of youngsters—reportedly have cut Strawberry Shortcake cereal sales in half.

General Mills also moved Pac-Man cereal, based on the videogame character, into national distribution this spring. Introductory ad and promotion spending for Pac-Man cereal was set at $20 million.

General Mills hung on to the No. 2 spot in the ready-to-eat cereal market with about 23% of the market, approximately the same as in 1981.

According to Lehman Bros. Kuhn Loeb, the company's greatest share gain among its cereals came from Strawberry Shortcake, which received about $2.8 million in advertising for calendar 1982. The company also saw a slight share increase for the two-year-old Donutz powdered sugar-coated cereal, which was backed by more than $7.5 million in measured media in calendar 1982, and a minor share increase for Honey Nut Cheerios, whose measured spending reached nearly $7 million, up more than 42% over 1981. Market shares of Trix, Golden Grahams, Crispy Wheats 'n Raisins and Lucky Charms all showed slight share declines.

Ad spending for Cheerios, the No. 2 cereal in the market, jumped 37.7% to $13.4 million, while spending for Buc*Wheats dropped nearly 40% to $3.3 million.

A new campaign for Wheaties, themed "What the big boys eat," broke in June, featuring ball players both playing ball and eating the cereal.

General Mills' Betty Crocker brands held on to second place behind Procter & Gamble's Duncan Hines line in the $752 million dessert mix market. One major effort this year was this spring's national introduction of Betty Crocker Bake-A-Bar chewy granola bar mix, believed to be the first such mix on the market.

Betty Crocker frosting mixes had about 73% of the $58 million two-layer cake frosting mix market at the end of calendar 1982. At the same time, Betty Crocker Creamy Deluxe frosting had about 53% of the $187 million ready-to-spread frosting market. But they both faced increased competition beginning in January from Duncan Hines' new Creamy Frosting, Procter & Gamble's first national entry into the frosting market. General Mills' frosting lines are expected to lose share to the strong Duncan Hines brand name this year, despite growth in the category. The canned frosting received about $3.3 million in measured ad spending during calendar 1982; General Mills has said it plans to spend heavily this year, in part to compete with "the long-awaited entry of Procter & Gamble into the frosting market."

General Mills' interest in capitalizing on the health and nutrition craze spawned several additions to the Nature Valley line. As its near-stranglehold on the granola snack market was challenged by Quaker Oats' introduction of Chewy granola bars, General Mills late last year began a midwestern introduction of Nature Valley Chewy granola bars with a pledge of $17 million in advertising and promotion. The product has not yet rolled out nationally.

Last November, the company jumped into the growing battle for the fruit juice market by entering a five-flavor line of Nature Valley Fruit-Squeeez juices into Texas test markets. The aseptically packed drinks, all blends of several natural juices, are being backed by tv, magazine and newspaper couponing.

The company last fall also put Nuts About Fruit, a four-item line of real fruit and nut bars, in two test markets. The Nature Valley label did not appear on the product.

Concurrent with the introduction of Chewy, General Mills began a national rollout of Fruit Roll-Ups, a four-flavor line of rolled sheets of dried fruit, targeted to children. While marketed under the Betty Crocker brand, with a new "Fruit Corners" logo, rather than the Nature Valley label, General Mills attained retail shelf space for the product in the same "wholesome snack" section of the store. A $17.5 million tv and couponing campaign was scheduled for the Fruit Roll-Ups introduction, which featured a rhyming jingle beginning, "You can peel 'em, you can poke 'em, you can stretch 'em, you can tear 'em."

This summer, the company sold its Chef Saluto pizza unit to a subsidiary of Jeno's Inc., citing "failure to achieve our financial goals" and "better financial prospects" from other food investments.

Only eight months before, the brand had been reformulated and relaunched as Chef Saluto Fresh-Bake pizza, a 16-item line frozen with a partially baked crust and packed with its own baking sheet. Measured spending for the Chef Saluto brand plummeted, according to Leading National Advertisers, from $2.14 million in 1981 to $262,100 during 1982. The company denied the latter figure but would not provide more detailed information.

The sale eliminates General Mills as a potential major force in frozen foods, and leaves it with only one frozen foods unit: Gorton's of Glouster seafood. That company holds the No. 2 place in the category.

Backed by $2.8 million in ad spending—more than double the measured spending for 1981—the Gorton's unit saw a 3% increase in dollar share, to 23% of the $650 million category. Late last year, Gorton's kept in step with market leader Mrs. Paul's and third-place competitor Van de Kamp's by introducing a four-item line of Light Recipe fish sticks and fillets containing more fish and less breading and oil than regular products. The company also entered seven test markets with a three-item line of condensed clam chowders and New England clam stew. Radio and coupon newspaper ads stress thickness.

During 1982, General Mills tested and then, this summer, nationally introduced Yoplait Breakfast Yogurt with wheat grains, fruit chunks and walnuts. The entry followed the earlier national introduction of Yoplait custard-style yogurt. Backed by a 10.5% increase in ad spending, to $4.8 million, in calendar 1982, Yoplait is still in second place behind BSN/Gervais Danone's Dannon.

This spring, General Mills agreed to sell Columbus, Ga.-based Tom's Foods, its snack foods operations, to Rowntree MacIntosh, an English corporation, for $250 million.

General Mills' toy group, with a 9% share of the $5.8 billion U.S. toy market and 6% of the $12.56 billion worldwide toy market, increased advertising nearly 54%, to more than $20 million, for the Parker Bros. unit during 1982. It also increased Kenner Products' advertising by 6% to $23.7 million. The Fundimensions unit received an estimated $1 million in advertising.

Advertising in the Parker Bros. unit primarily supported the introduction of Parker Bros. videogame cartridges, among which the biggest seller was Frogger. James Fifield, executive vp for the toy group, said in September that Parker Bros. would spend more than $15 million to advertise the software line, but in January, the company pledged about $30 million for 1983 spending on new cartridges for a variety of videogame formats, including personal computers. New titles include Strawberry Shortcake, G.I. Joe, Q-Bert and Popeye.

In a decision that could have far-reaching effects on other companies, Parker Bros. lost its nine-year-old court fight to retain its trademark on the Monopoly game. The Supreme Court's refusal to hear the case, brought by the president of a company marketing an Anti-Monopoly game, upheld an appellate court ruling that trademark protection can be extended to a brand only when its "primary significance" is to identify the producer, not the product.

Nonetheless, Parker Bros. believes its game is secure because of copyrights on the product itself.

Kenner's advertising emphasized the Strawberry Shortcake and Star Wars series characters, but the company also was gearing up for this spring's introduction of the toys, games, dolls and books based on the new Care Bears characters, developed jointly with American Greetings' Those Characters from Cleveland unit. Care Bears, being licensed to a variety of children's products marketers, has been touted as a line that could be as big as Strawberry Shortcake, which accumulated sales of more than $125 million for the toy group last year.

During mid-1982, Kenner Products eliminated Sive Associates, Cincinnati, from its roster of ad agencies, moving about $10 million in billings to Grey Advertising and Dancer Fitzgerald Sample, New York. The reassignment included Play-Doh, Glamour Gals, Discovery Time products and miniature cars. In December, the toy group also moved its estimated $20 million European advertising to Grey Advertising from Foote, Cone & Belding.

Sales in General Mills' restaurant group, which represents 0.8% of the domestic restaurant industry, increased 17.3% to $984.5 million during fiscal 1983, while profits rose 1% to $80 million. Advertising for the group reached $29.8 million, most of which was for Red Lobster Inns.

Measured spending for Red Lobster increased 5.3% to $25.9 million, during calendar 1982. Red Lobster, the largest division in the restaurant group, with about 351 units and sales of about $2.1 million per unit, continued its plan to expand by 30 to 35 units per year through 1988. The plan calls for the company to extend its presence on the West Coast with new building designs and new California menus. The chain also stepped up efforts toward tapping East Coast markets by moving into the Baltimore/Washington area and is "playing with" the idea of Red Lobster dinner houses in downtown locations. The company also planned to expand in existing areas by purchasing existing units from other companies.

During the year, Red Lobster received Canadian approval to open units in that country and began testing international expansion into Japan.

York Steak House, which has sales of about $1.2 million per unit, was repositioned to broaden its menu offerings, and in February, reported that a third of its sales were in nonbeef items added within the last year. A new ad campaign began during the year under the theme, "Good steak and a whole lot more." Ad spending for the chain, which has about 140 units, was $2.5 million, about the same as last year.

Casa Gallardo, the Mexican food dinner house, concentrated on menu development by adding new chicken items to complement the traditional beef dinners. The chain added units primarily in the Midwest and South over the past year.

A small-budget advertising effort of $258,000 in measured media for calendar 1982 targeted upscale singles and couples aged 25 to 49. Per-unit sales in prototype stores are more than $2 million, according to the company. Ramon Gallardo, who still heads the chain he founded, is featured in the advertising.

Darryl's turn-of-the-century atmosphere chain continued its expansion into additional southeastern markets, which is expected to continue to be its primary target for the next few years. The company has developed prototype stores doing more than $2 million in sales per unit and has cited an effort to obtain advertising efficiencies a reason for regional expansion. But Leading National Advertisers reports less than $500,000 was spent on the chain in calendar 1982.

Good Earth healthfood restaurants began its expansion to the East Coast with three test units in Florida during 1982 and 1983. The chain is adding dinner entrees and testing a new prototype design to become a full-service chain and attract new consumers. Measured advertising for the 40-unit chain was $564,600 in 1982.

The weak climate for apparel retailing adversely affected sales and profits in General Mills fashion group, which is now emphasizing branded and better merchandise. Fiscal 1983 profits fell 25.4% to $76 million on a 6.2% sales decline to $616 million. Nonetheless, General Mills foresees growth in the athletic/leisure wear and accessories market, as well as in the women's career apparel market, in which the company is positioning its lines to younger consumers.

Measured spending for the total fashion group, which includes the Izod/LaCoste, Ship 'n Shore, Foot-Joy shoes, Monet and Yves St. Laurent jewelry, Oscar de la Renta clothing and Cacharel neckwear, totaled about $4.3 million in measured spending.

The specialty retailing group benefited from a stronger home decorating market that aided sales at the weak Wallpapers To Go unit, despite an 11% decrease in measured ad spending for that division to $2.2 million in calendar 1982.

Increased profits, to $16.1 million in 1982 from last year's $11.9 million loss, reflected the disposition of the Bowers & Ruddy rare coin business and the Harris Stamp Co. more than strong improvements in the other retail units. Sales declined 5.3% in fiscal 1983 to $429.1 million.

LeeWards crafts stores, seen as having "strong potential" in the $22.5 billion crafts market, received just more than $1 million in measured ad spending during calendar 1982, down 9.5% from 1981. Measured advertising for the Eddie Bauer sports and outdoor gear stores was $320,700 in 1982; Talbots women's stores received about $400,000.

Janet Neima

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$4,241,700	$4,5[illegible],600
Magazines	17,585,900	14,810,100
Spot tv	107,121,500	83,036,100
Network tv	93,628,500	86,408,500
Spot radio	5,632,800	4,966,200
Network radio	1,723,800	1,409,400
Outdoor	216,000	87,400
Total measured	230,150,200	195,240,300
Unmeasured	14,213,500	12,065,800
Estimated total	244,363,700	207,306,100

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San Francisco (415) 986-6388

KNOW THY COMPETITION

See page 117

LNA

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GENERAL MILLS

Marketing Personnel

Donald F. Swanson, vice-chairman-restaurants & consumer nonfoods
F. Caleb Blodgettt, vice-chairman-consumer foods
Walter R. Barry, exec vp-consumer foods
Arthur Schulze, exec vp-consumer foods
Preston Townley, exec vp-consumer foods
Jane Evans, exec vp-fashion group
James G. Fifield, exec vp-toy group
Richard Stearns, exec vp-Parker Bros. home entertainment group
Brent Andrus, exec vp-Parker Bros. traditional toys and games group
Dave Maur, exec vp-Kenner Products
Dan Cooney, vp-marketing and sales, Fundimensions
Michael Boyle, exec vp-specialty retailing and furniture
Joe R. Lee, exec vp-restaurant group
Bernard Loomis, group vp-creative prods
Charles D. Weil, vp-gen mgr-marketing services
Robert J. Blake, director-adv services
Harold H. Nitch, director-media services

Advertising Agencies

Altman, Stoller, Weiss, New York—Monet Jewelers.

Bozell & Jacobs, Minneapolis—grocery, military—Frank Miller, acct exec.

Campbell-Mithun, Minneapolis—Breakfast Squares, Big G cereals (Crispy Wheats 'n Raisins, Buc*Wheats, Golden Grahams), Nature Valley prods, Betty Crocker potatoes, BC Coupon Plan—Bruce Sutherland, director-client services; Madeleine Betsch, mgmt super.

Dancer Fitzgerald Sample, New York—Big G cereals (Cheerios, Honey Nut Cheerios, Total, Kix, Trix, Lucky Charms, Cocoa Puffs, monster cereals, Donutz, Strawberry Shortcake, Pac-Man, new prods), Gold Medal Flour, Fundimensions, Yoplait yogurt, Parker Bros., Kenner—P.F. McSpadden; Freeman Bunn, mgmt super.

Dancer Fitzgerald Sample, San Francisco—Betty Crocker pancake mix, Wheat Hearts hot cereal, LaPina—Brian Burns, mgmt super; Preston Bealle, acct super.

Daniel & Charles, New York—Gorton's.

D'Arcy-MacManus & Masius, St. Louis—Red Lobster, Donruss—Charles Grady, mgmt super.

Foote, Cone & Belding/Honig, San Francisco—Wallpapers to Go, Eddie Bauer.

Chester Gore, New York—Foot-Joy (golf, street, casual).

Grey Advertising, New York—Kenner, David Crystal—Joe Callo, mgmt super-David Crystal; John Cashwell, acct super-Kenner.

Grey-North, Chicago—LeeWards—Ruth McNitt, mgmt super.

Hill, Holliday, Connors, Cosmopulos, Boston—Talbots.

Humphrey Browning MacDougall Boston—Parker Brothers—Peter Evans, mgmt super; Peter Gruol, Mitchell Weeks, acct supers.

Leonard, Monahan & Saabye, Providence—Foot-Joy (running, tennis, racquetball).

Levenstein/Gaines, New York—Pennsylvania House.

Lloyd Mansfield, Buffalo—Kittinger.

Needham, Harper & Steers/USA, Chicago—Betty Crocker dessert mixes, Bisquick, new main meals, new instant meals, Bac*Os, Wheaties, Hamburger Helper—Robert Savand, mgmt rep; John McBride, Ron Bess, acct directors.

Peter Rodgers Associates, New York—Monet Jewelers.

Red Barron Inc./Midland Advertising, Minnetonka, Minn.—Food Service.

Wattenmaker, Cleveland—Gorton's Blue Water label—James S. Wattenmaker, acct mgr.

General Motors Corp.

	1982	1981
Sales	$60,025,600,000	$62,698,500,000
Earnings	962,700,000	333,400,000
Advertising* ..	549,000,000	401,000,000

*AA estimate

General Motors Corp., Detroit, the third largest national advertiser, increased 1982 ad expenditures 37% to $549 million as sales dropped but profits rose.

GM's 1982 profit of $962.7 million was a big improvement over 1981's $333.4 million. Dollar sales worldwide slipped on lower unit sales to some $60 billion from more than $62 billion the previous year.

However, sales have been joining profits in making a rebound during 1983. Sales in the first six months of the new year increased 13% to $36.14 billion as profits hit $1.7 billion, an increase of 147% over the comparable six-month period a year earlier. The company cited an improved economy that has stimulated car production and sales, a significant rise in GM's overseas output, strong performance abroad with its subcompact, Corsa, and reduced foreign exchange losses.

In fiscal 1982 as in fiscal 1981, General Motors Acceptance Corp., the financial arm, was responsible for the bulk of the profit. GMAC and its subsidiaries earned a record $688 million in 1982, beating the previous year's record high of $365.2 million. GMAC was also in the forefront of GM's marketing strategies, which saw a string of interest rate ceiling promotions on the financing of vehicles.

The whopping ad expenditures came to promote the interest rate ceilings and other special marketing devices. That accounted for a more than doubling of unmeasured media expenditures—to $154 million from $65 million. Newspaper outlays also increased for the special deals to $82 million from $65.5 million. Spot tv just about doubled to $27.2 million from $13.9 million, and magazine use went up to $86 million from $65.4 million.

GM sold more than 4.5 million new vehicles in the U.S. in 1982, down from 4.6 million in 1981. The slump came in cars which fell 7% to 3.5 million autos. The sale of a million trucks was up 23% and took up the slack. GM's market share remained at 43% of U.S vehicle sales.

Worldwide sales of 6.2 million cars and trucks were down about 8% from 1981. Specifically, overseas sales rose 7% to 1.7 million units, including more than 1 million in Europe, for a gain of 16%.

It was to the East that GM turned for future sales help—a joint venture deal with Japan's Toyota to produce a Toyota-designed subcompact at a GM plant at Freemont, Cal. Under the agreement, which still needs government approval, some 200,000 cars a year are planned under the 12-year joint venture, starting in the 1985 model year. The idea was to give GM some small car manufacturing expertise from Toyota (which supplies half the components), and it takes the heat off Toyota to build a U.S. plant.

GM also has a subcompact car under development with Isuzu Motors Ltd., a Japanese auto maker it partially owns, and with Suzuki for mini-cars. The Toyota joint venture cars would be sold to Chevrolet which would also get the Isuzu and Suzuki models.

GM also tried a "joint venture" with the United Auto Workers as 1982 got under way. GM said it would pass along concessions from the UAW to consumers by way of price cuts. The deal fell through, and GM went ahead on its own with rebates, because sales slowed as buyers awaited the UAW-GM price cuts. GM also imposed 2% givebacks on its suppliers, including ad agencies that complied. An effort to include media costs fell flat.

N W Ayer, one of GM's corporate agencies, bested D'Arcy-MacManus & Masius, another corporate account holder, for a new $15 million campaign, "We're the best GM ever."

Chevrolet division was far from the best Chevrolet ever, as car sales and market share plunged. Only truck sales were a bright spot.

Total car sales were down to 1.2 million from 1.4 million; trucks jumped to 808,805 from 675,628 units. Overall sales slipped to 2.07 million from 2.1 million units in 1981. Market share dipped to 15.8% from 16.9%.

Ad spending for Chevrolet increased to an estimated $142.9 million from $127.5 million. Increases came in network tv to around $75.4 million from $59.2 million—over-all tv spending increased to $80.3 million from $62.5 million. Magazine spending went to $26.4 million from $19.6 million and newspaper increased to $31.9 million from $25.5 million.

Light conventional trucks were out in front for truck lines with 393,277 units, up from 403,487 in 1981. The S-10 truck turned sales of 177,758 units in the first calendar sales year.

Chevrolet's 1981 ad theme: "Chevy's up ahead" was replaced and a new umbrella popped for 1982 that said: "Chevy makes good things happen."

The Cavalier was "reintroduced" in 1982, with greater emphasis on technology, while the midsize models were grouped together in an ad as "Chevrolet's classics."

The new shape of the Camaro represented something of a return to performance for Chevrolet. The Z-28 performance model ads boasted: "The only thing that can keep pace with it is its shadow." Chevy aired the first long-form stereo cable commercial on Warner Amex's MTV: Music Television channel.

The Camaro and front-wheel-drive intermediate Celebrity, both introduced in January, carried Chevy's hopes for "image enhancement." Celebrity ads used the theme, "The bright new shape of Chevrolet." Thomas Staudt, general marketing manager, said, "Our advertising on Celebrity is designed to build and strengthen our image of technology."

The 1983 theme became more aggressive as Chevy shouted "USA-1 taking charge." Ad copy stated, "You'll discover Chevrolet is taking charge in providing better, more exciting and affordable products."

The division concentrated on marketing Chevy the brand, Chevy the car builder, and targeted "new" car prospects who where "undecided" as to what to buy. Special "corporate image" commercials were run on the final episode of "M*A*S*H" in February. Chevrolet/Eastern Air Lines launched a campaign in the fall giving buyers of Chevy vehicles two free tickets on Eastern flights.

The new Corvette made its debut with special magazine inserts and newspaper ads in 50 top markets in March, 1983. Ads bragged that it was "The best production sports car in the world."

The charge by trucks was led by light trucks and especially the new compact models. Chevrolet S-10 truck was the big seller for Chevy with 177,758 units sold in 1982. Total truck sales surpassed last year's, rising to 799,916 from 675,628 units. Chevy became the truck sponsor for the United States Football League games on ABC-TV for the 1983 season.

Chevy also did some reorganizing among its executive staff in 1982 and early 1983. Robert Stempel moved to general manager from vp of European-sourced GM vehicles and managing director of Adam Opel in Germany. Robert Lund became vp of corporate sales and marketing staff. Russell Chick was promoted to director of national advertising from car ad manager. Stephen McAvoy became manager of passenger car advertising.

Buick fared well in 1982, with increases in both total unit sales and market share. Unit sales rose to 723,011 from last year's 722,617 units, with the Century front-wheel-drive model selling 99,873 units in its first year. Market share climbed to 9.06% from 8.45% in 1981.

Buick ad outlays rose to $43.7 million from $36.6 million, with tv down a bit to $16.3 million from $16.9 million. Newspaper rose about $4 million to $16.2 million and magazine expenditures were up to $7.9 million from $5.9 million.

The "Wouldn't you really rather have a Buick?" umbrella theme carried on through 1982, with the hawk flying high.

Century, Buick's front-wheel-drive A-body, was introduced with "It's the year of the Century," and the Skyhawk, rebated before it was even introduced, sold 46,942 units in its debut year.

In the fall of 1983, in an effort to broaden and penetrate the entire marketplace more effectively, Buick is driving for diversity.

The Riviera went topless in the fall of 1982. Mr. Reuss explained, "The convertible fits in with our philosophy of classic elegance and has a halo effect on the entire line." Riviera was aimed at women drivers.

In the fall of 1982, Buick pushed special models into growth areas. A Buick official said, "The days of building cars that are all things to all people are over."

The T-types, with European look and feel, were designed to increase market penetration and are geared at specific growth areas. Skyhawk, Skylark, Century Regal and Riviera models were targeted for T-formations.

Oldsmobile suffered erosions in total sales but increased market share. Sales fell to 799,585 units from 848,739, with the new subcompact Firenza, introduced in March, 1982, selling 28,282 units. Market share advanced to 10.02% from 9.95% in 1981.

Oldsmobile increased its ad spending to $44.8 million from $39 million with increases in tv to $17.6 million from $14.8 million; magazines to $10 million from $7.7 million, and newspaper to $15.8 million from $12.7 million.

Style was the watchword at Oldsmobile as the new umbrella theme, "Even today, there's room to do it with style," was introduced. Oldsmobile brought out the front four-wheel-drive A-body, the Ciera, as part of the Cutlass line, with "Cutlass Ciera, the only front-wheel drive that's a Cutlass."

The subcompact Firenza, born with a cash rebate, was introduced in March, 1982. Ads concentrated on making the new model a member of the Olds family with the tag, "Firenza. It's what a small car can be when it's

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Nestle Enterprises

National introduction: September, 1981-April, 1982

Agency: Creamer Inc., Pittsburgh

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an Oldsmobile." The Firenza commercials targeted young but still upscale buyers. In the fall of 1982, Oldsmobile announced a 12% increase in its advertising budget for 1983, handled by Leo Burnett USA.

Oldsmobile kept the same basic advertising strategies for the fall but utilized some new techniques. Ciera ads focused on the technical aspects of the car. The tag was, "This car of the future is built on its past," emphasizing the Cutlass membership. The Delta 88 used the same line, "The family car that didn't forget the family." Olds 98 maintained its "logic carried to its most luxurious conclusion." The Toronado stuck with snob appeal: "This personal luxury car does more than stand out. It stands alone."

Specialty cars were also used to spark excitement and diversity into the Oldsmobile line. Joseph Sanchez, now general manager, said, "Specialty cars are not what pays the dividend. They are necessary to keep excitement in the line, to be totally competitive. Specialty cars do have a place, but as support to our total volume."

Specialty cars for 1983 include the Holiday, built off a Cutlass Ciera body and featuring a vinyl roof; Ciera ES; Hurst Olds, a neo-hot rod; the Firenza GT; Omega X with GT package, and a Cutlass Supreme with different appearance items.

Pontiac slipped another notch in both market share and unit sales in 1982.

Sales declined to 483,149 units from 522,394 and market share plummeted to 6.1% from 6.4% in 1981.

Firebird was the shining star for Pontiac in 1982, with a large sales increase of 105,686 units from 52,188.

Pontiac ad spending rose just a little to $47.4 million from $45 million, with increases in magazines—to $10 million from $4.7 million—and newspaper to $12.8 million from $9.8 million. Tv was flat at $29 million in 1982, compared with $29.4 million in 1981. D'Arcy-MacManus & Masius spent the year disputing rumors that it stood on "shaky ground" with Pontiac. There was a rough patch in relations, which has subsequently been smoothed over with new creative input.

Failing to spark sales in the fuel economy market, Pontiac decided on a strategy switch. The "more Pontiac know-how to the gallon" line was dropped for the umbrella theme: "Now the excitement begins."

Jim Graham, director of merchandising, said, "When Pontiac was riding high, third in the industry, it was because we had a very special image, our own image, and it was stylish, sporty, fast . . . ." With a nearly 24% drop in total sales, Pontiac put its efforts into building that image.

The new marketing move was officially kicked off in January, 1982, with the new Pontiac 6000, a European-style road car aimed directly at top imports in the class. The 6000 challenged Eurosedans with "The Road Kings have a new rival."

After a dismal showing in 1981, Firebird Trans AM made a comeback, wearing sleeker, less cluttered attire and doubled its sales. The new ads boasted—"The taming of a sinister force."

Pontiac counted on its two new sporty models to complete the new "excitement image" lineup.

The convertible Sunbird (J2000) has an "aura of excitement," according to William Hoglund, general manager. The snappy Fiero sportster is designed to appeal not only to the two-seater beret set but to hot rodders, dune buggy users and singles. The Pontiac body will not be shared with other GM divisions. The initial production target is scheduled at 100,000 units for introduction as a 1984 model.

Despite the recession, Cadillac posted gains in both market share and sales. Cadillac sales rose more than 10% in calendar 1982, a poor sales year for the auto industry. Unit sales climbed to 249,295 units from 230,665, with only the Cimarron suffering a slight loss. Market share rose from 2.7% to 3.1%.

Cadillac ad spending went up modestly to about $21.2 million from $19.6 million with tv rising to $9.5 million from $7.5 million. Newspaper was up a bit to $5.9 million from $4.7 million, and magazines rose to $5.1 million from $4.7 million.

Cadillac sent forth its 1982 models with the umbrella theme, "Best of all . . . it's a Cadillac." The division tried to broaden its market from older prospects to include young, affluent import buyers with the Cimarron.

Simple, direct ad lines were used for the other Cadillac models as well, with Seville announced as "a car for those who seek the better things in life." Eldorado Touring Coupe got the pitch, "A different breed of Cadillac" and DeVille claimed "you deserve it."

The 1983 ad message remained the same. The luxury market got the most attention and media weight, with the more European-styled cars, the Cimarron and Eldorado Touring Coupe on the sidelines. The 1983 ads for the Cimarron touted a new line: "Cimarron '83. Cuts through the import mystique." The other European-styled car, Eldorado Touring Coupe, got its own series of "buff"-book ads. The Eldorado TC, with stiffer suspension and blackwall tires, helps the Cadillac image, according to L.B. Pryor, general sales manager.

General Motors drove full speed into the global truck battle in 1982 with great hopes for the future. GM teamed with Isuzu, owned 34% by GM, in a joint effort in Europe. GM restructured truck operations of the GM Assembly, Chevrolet, GMC into a single division within the new world wide Truck & Bus Group. The Bedford Commercial Vehicle division, Great Britain, also joined the group.

On the car side, General Motors stepped up operations of North American Vehicles Overseas division to increase sales of U.S.-built cars internationally. GM's overseas ad campaign in 1981 and most of 1982 consisted of "dramatic impact:" A Camaro ad showed an astronaut's legs in boots and the space shuttle in the background, while other ads used cowboy boots and the like.

The feet were gone in late 1982. The Overseas division, via McCann-Erickson, moved toward more realistic ad shots. Canadian sales fell 33% to 327,000 units and GM's market share slipped to 36% from 41%. In Europe, GM finished a three-year expansion program with the introduction of the small Opel Corsa. Latin American sales were up slightly to 326,000 units and market penetration increased to 18% from 16%. Sales in Brazil increased 20% to 166,000 units. Sales fell 18% to 161,000 vehicles in the Middle East and Africa while Asia/Pacific region sales rose slightly to 207,000 units.

Ralph Gray

TOP 25 Farm publication advertisers

Rank	Advertiser	Expenditures
[redacted]	Monsanto Agricultural Products	[redacted]
[redacted]	Elanco Products Co.	[redacted]
[redacted]	Ciba-Geigy Corp.	[redacted]
[redacted]	Stauffer Chemical Co.	[redacted]
[redacted]	American Cyanamid Co.	[redacted]
[redacted]	Deere & Co.	[redacted]
[redacted]	International Harvester Co.	[redacted]
[redacted]	Ford Motor Co.	[redacted]
[redacted]	E.I. du Pont de Nemours & Co.	[redacted]
[redacted]	Dow Chemical Co.	[redacted]
[redacted]	Mobay Chemical Corp.	[redacted]
[redacted]	U.S. Government	[redacted]
[redacted]	Sperry Rand Corp.	[redacted]
[redacted]	Pioneer Hi-Bred International	[redacted]
[redacted]	Basf Wyandotte Corp.	[redacted]
[redacted]	Shell Oil Co.	[redacted]
[redacted]	FMC Corp.	[redacted]
[redacted]	Upjohn Inc.	[redacted]
[redacted]	DeKalb Agresearch	[redacted]
[redacted]	Pfizer Inc.	[redacted]
[redacted]	Union Carbide Corp.	[redacted]
[redacted]	General Motors Corp.	[redacted]
[redacted]	Northrup King & Co.	[redacted]
[redacted]	J.I. Case Co.	[redacted]
[redacted]	Diamond Shamrock Corp.	[redacted]

Source: Agricultural Marketing Information Service (AGRICOM)

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$82,000,000	$65,502,100
Magazines	86,079,700	65,437,100
Farm publications ..	1,596,400	1,608,500
Spot tv	27,244,200	13,940,900
Network tv	164,261,500	146,919,100
Spot radio	20,339,200	32,431,100
Network radio	7,883,100	5,428,000
Outdoor	5,009,000	3,809,000
Total measured ..	394,413,100	335,075,800
Unmeasured	154,586,900	65,924,200
Estimated total ..	549,000,000	401,000,000

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D.J. Teasdale, director-adv
J.W. Finney, asst adv mgr/media
Mary M. Jarman, advtg supv.
D.P. Bolen, asst adv mgr
Margaret M. Rafferty, adv contract dept/super
Margaret Hudzik, adv traffic coordinator

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D'Arcy-MacManus & Masius, Bloomfield Hills, Mich.—Ronald Monchak, chairman, Bloomfield Hills; Milton F. Coulson Jr., vice-chairman/Bloomfield Hills, mgmt super; William A. Mara, vp-acct super; Selby Cook, vp-group creative super.

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G.H. Pruette, Jr., mgr-public affairs advtg
Hugh Wells, mgr-creative services
Robin Morris Pannecouk, coordinator-public affairs advtg

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W.E. Edgar, asst genl sales mgr/western
R.E. Coletta, asst genl sales mgr/midwest
L.D. Robbins, asst genl sales mgr/central
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T.R. Chick, director-national advtg
H.J. Cordes, mgr-truck & station wagon adv
J.J. Williams, director-pr

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G.R. Samardich, exec vp
C.A. Krauss, Jr., director of industry, govt & pr

Advertising Agencies

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G.S. Barquist, vp-mktg & agency relations
T.F. Kelly, director, mkt research & adv

Advertising Agency

G&S/Burton, Detroit, Mich.

Panadol

Sterling Drug
National introduction: April, 1983
Agency: SSC&B/New York

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The Panadol Purpose:
The Panadol Promise:
The Panadol Proof:
Save 50¢
Discover World-Proven
PANADOL

Gillette Co.

	1982	1981
Sales	$2,239,000,000	$2,334,400,000
Earnings	135,100,000	124,300,000
Advertising*	163,000,000	171,900,000

*LNA estimate

Gillette Co., Boston, the 37th largest national advertiser, decreased its ad spending 5% to $163 million in 1982.

Worldwide sales in 1982 were $2.2 billion, down 4%. Earnings still managed a 9% increase. So far into 1983, sales have remained sluggish. For the first six months of 1983, sales were $1.07 billion, vs. $1.1 billion for the first six months of 1982. Net income for the same period was $70.3 million for 1983, down slightly from $70.8 million. Net income, however, for the second quarter in 1983 showed a 3.7% increase over the same period a year ago.

For 1982, Gillette's four major lines and their percentage contributions to sales were: Blades and razors, 35%, up from 33% in 1981; personal care, 30%, up from 28%; writing instruments, 12%, down from 13%, and Braun products, 18%, down from 20%. Profits were up slightly for blades and razors, significantly for personal care and Braun and way down for writing instruments.

The company continued its traditionally aggressive marketing policies in 1982, especially in the launch of new products. "The changing of the Guard," a $28 million, six-month effort to relaunch Right Guard deodorant, began June 1 of this year.

Analysts expect that Right Guard will now regain some of the preeminence it held in the deodorant/antiperspirant market before the collapse of aerosols.

It has been reformulated and repackaged, and a strong masculine identity remains its ad thrust. Gillette recently won a decision in U.S. district court against Mennen, which had claimed that the new Right Guard packaging was too similar to some of Mennen's graphic trademarks. Mennen is appealing the decision.

Sales for the personal care division hit a plateau last year, after several years of steady growth. Profits were up, though, as a strong advance in the profitability of North American sales offset declining profits abroad. The record of recent sales growth was produced largely by Gillette's successful entry into the women's-products market, with items like Silkience shampoo. Other new products in the personal care line are Bare Elegance, a "moisturizing body shampoo" launched nationally this spring after a regional launch in 1982; Mink Difference replenishing shampoo, added this spring as a companion to the hairspray launched in 1981, and Aapri Apricot replenishing Lotion, also added this spring, joining a facial scrub introduced last year.

Gillette spent heavily to introduce the new products. Bare Elegance is budgeted to get $16 million in marketing and promotional support, Aapri got $17 million and Mink Difference got $13.8 million.

Two new products introduced in early 1982 sold well: Silkience conditioning hairspray and For Oily Hair Only shampoo and conditioner. Strong sales of those products made up for the drop in sales of Silkience shampoo and conditioner.

Silkience skin moisturizer, introduced in late 1981, also is not performing as well as expected in a market dominated by Richardson-Vicks' Oil of Olay. It has won only a 3.6% market share, despite $4.2 million in ad support in 1982.

The blade and razor division showed a minuscule sales increase in 1982, matched by a small increase in profits. The division remained Gillette's most profitable, though: Gillette dominates almost all world markets in this field, and nearly three-quarters of the company's worldwide profits come from blades and razors.

Atra pivoting-head cartridges won the No. 1 share of the U.S. blade market in 1982, overtaking Trac II, another Gillette brand, which had held that spot for nine years. Atra did well in European markets and entered Latin American and Japanese markets in 1982.

The Good News! razor remained No. 1 in disposable, despite an aggressive marketing challenge from Bic shaver and a new disposable entry from Scripto, maker of Wilkinson Sword blades. Disposables are the fastest growing part of the wet-shave market, with total disposable sales up to 32% of all unit sales for blades in 1982. Good News!, Swivel (Gillette's pivoting-head disposable) and Daisy (the disposable women's shaver) control 60% of market.

Women account for 50% of all sales of disposable razors, including brands marketed chiefly for men. The company estimates that almost half of all Good News! buyers are women, for instance. Gillette moved to take advantage of this market with new 1982 ads for Good News!, which featured both men and women touting the razor, with a jingle themed "Two blades are better than one blade." The ads marked the first time Gillette had advertised any razor product other than Daisy or Just Whistle as suitable for women. Just Whistle is a plastic handle for Atra blades, introduced in 1981.

Ad spending on Trac II is now only for "promotional things." Instead, ad dollars have shifted to Atra, which has higher profit margins. It is the company's philosophy to heavily back its leading brand in any given market.

Gillette plans to continue strong promotion of its blades and razors in 1983, with frequent promotional pricing efforts to match those of the competition. The Widget, a household scraping tool with a safety handle and several blades, was the division's lone product introduction in 1982.

Backed by $1.7 million in advertising and promotion, mostly on network tv, the Widget "met sales expectations," the company said.

Gillette's biggest problems in 1982 were in the writing instruments division. Unit volume grew to one billion pens and refills, but sales were down roughly $30 million and "profits fell sharply," according to company chairman Colman Mockler. Products included Eraser Mate II and Write Bros. pens (both lower-priced brands), Eraser Mate and Flair pens, the Mark VI luxury pen (made in France for European markets), and Liquid Paper office products. Gillette blamed a weak economy and an overemphasis on lower-price products for the division's weak showing. An improved economy in 1983 should restore some of those lost profits, but heavy competition against the low-end line could continue to keep that part of the business less profitable, according to analysts.

Gillette pursued a trimming strategy in the Braun products division in 1982, which produced a drop in sales—from $451 million to $403 million—but a sharp rise in profits. The company continued to divest Braun of its

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See page 117

LNA

photo and hi-fi businesses to concentrate on small household appliances, most marketed exclusively in Europe.

Over-all, Gillette seems well positioned to maintain its strength both home and abroad. But stronger currencies in foreign markets (Gillette gets 55% of sales abroad), and new product development in the personal care field are seen by the company as necessary for growth.

Gillette has seen a need to advertise beyond network sports programs and began experimenting with cable networks ESPN, USA and Turner Broadcasting System's superstation, WTBS-TV.

The company is close-mouthed about the results of its cable test.

Gillette spent the following in measured media advertising for some of its major products during 1982: $4.9 million for Silkience shampoo and $6.4 million for Silkience conditioner; $7.7 million for Soft & Dri antiperspirant solid; $7.4 million for the Atra shaving system; $7.3 million for Aapri facial scrub; $5.6 million for Good News! and Swivel disposable razors; $5.9 million for For Oily Hair Only shampoo and conditioner, and $8.2 million for Dry Idea antiperspirant roll-on.

Jeremy Feigelson

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$3,525,600	$1,984,800
Magazines	8,276,000	9,425,500
Spot tv	8,642,300	8,588,700
Network tv	74,025,400	76,429,900
Spot radio	—	11,800,000
Outdoor	—	300.0
Total measured	94,469,300	85,981,700
Unmeasured	68,530,700	85,981,700
Estimated total	163,000,000	171,900,000

GILLETTE CO.

ADVERTISING SERVICES DIVISION

Thomas T. Ryan, vp

Thomas A. Lux, director, sport/print/-barter/new technologies

Allen K. Gibbs, director-media services

Ronald Harding, director-tv commercial production

Howard Fisher, director-network buying

Robert J. Evans, director-promo services

SAFETY RAZOR DIVISION

Marketing Personnel

Derek W.F. Coward, vp-mktg

Carmen A. Comite, group product mgr-disposable shavers

Joseph H. Crist, group product mgr—new prods

W. Scott Roberts, vp—sales

Bruce Cleverly, group product mgr, permanent systems

Advertising Agencies

BBDO, New York—Atra, Good News!, Swivel, Trac II—Atra—Ted Newlin, senior vp; Bill Badger, senior vp—mgmt super; Michael Paxton, vp-acct super; Phil Dusenberry, exec vp-exec creative director; Jane Burnett, acct exec (Good News! and Trac II); Bob Schlesinger, senior vp-associate creative director, and Lindsey Cole, acct exec (Good News! and Swivel).

Marschalk Co., New York—Just Whistle, Daisy, Widget—Andrew Langer, president; Dick Villante, exec vp; John Dooner, senior vp-mgmt super; Dennis Zolnierak, acct super; Elizabeth Garland, acct exec.

PERSONAL CARE DIVISION

Marketing Personnel

Robert N. Forman, vp-mktg

John Darmon, mktg mgr, skincare

Michael Nadelberg, mktg mgr, deodorants/antiperspirants

M. Gage Heath, mktg mgr, shampoos/conditioners

Robert Leger, mktg mgr, hair sprays/home waves

Advertising Agencies

Young & Rubicam, New York—Right Guard—Ed Lebar, mgmt super.

BBDO, New York—Soft & Dri, Dry Look, Dry Idea—Bill Kelly, mgmt super.

Marschalk Co., New York—Trac II and Foamy shave creams, Bare Elegance moisturizing soap—Dan Cogen, mgmt super.

Advertising to Women, New York—Toni, Silkience shampoo and conditioner, FOHO shampoo & rinse—Jeff Lehmann, mgmt super.

N W Ayer, New York—Adorn, White Rain, Silkience moisturizer, Mink Difference, Aapri—Stan Mattison, mgmt super.

PAPER MATE DIVISION

Marketing Personnel

Joel P. Davis, vp-mktg

Robert Warren, prod mgr-porous systems

William Wendell, prod mgr-refillable systems

Cheryl Bachelder, prod mgr-disposable systems

Kathleen Leone, prod mgr-correction fluids

Advertising Agencies

McCann-Erickson, New York—Paper Mate ballpoint pens, Eraser Mate, Flair porous products—Ian Hooper, senior vp.

Hill, Holliday, Connors, Cosmopulos, Boston—Liquid Paper—John Fitzgerald, senior vp.

JAFRA COSMETICS

Thomas C. Grant, president.

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GrandMet USA

	1982	1981
Sales	$1,347,320,000	$1,076,090,000
Earnings	77,900,000	53,600,000*
Advertising**	54,000,000	43,500,000

*Restated
**AA estimate

GrandMet USA, Montvale, N.J., the nation's 91st largest advertiser, spent an estimated $54 million on advertising in 1982, a 24% increase over 1981.

In 1982, the company, formerly known as the Liggett Group, had sales of $1.35 billion, up 25% over 1981. Earnings jumped to $77.9 million, an increase of 45% over the $53.6 million recorded in 1981.

GrandMet, a subsidiary of Grand Metropolitan PLC, London, is divided into a number of principal product groups: Cigarets, chewing and smoking tobaccos, spirits, wines, pet foods, soft drinks and sporting goods.

Liggett & Myers Tobacco Co., Durham, N.C., markets L&M, Chesterfield, Lark and Eve cigarets. L&M, the smallest of the nation's six major cigaret companies, is the lone marketer of generic and private-label cigarets. Sales increased to $377 million in 1982, up from $308 million in 1981. Operating income earnings for cigarets reached $48 million, up considerably from $28 million in 1981.

The increase came from the continuing success of generic cigarets, which more than doubled in sales volume in the last year. First introduced by Liggett in 1980, generic cigarets are now the fastest-growing cigaret category in the U.S. L&M has built up a hold on most of the major supermarket chains, which account for 75% of generic/store brand sales. Studies show that generics are being purchased by middle-income and upper-income consumers. They have boosted L&M's market share to 4.5%, or double the company's total in just two years.

Liggett's portfolio of generics was expanded by adding "Ultra Lights" in both king and 100mm sizes in order to compete in the rapidly growing low tar segment of the market.

Measured media spending was reserved for Eve cigarets. In 1982, L&M spent $4.9 million to boost the brand in magazine ads.

Liggett's chewing and smoking tobaccos are marketed by the Pinkerton Tobacco Co., which saw operating income increase to $12 million in 1982, compared with $9 million in 1981. Sales of Red Man chewing tobacco were slightly higher, making the company's principal brand the largest-selling chewing tobacco in the U.S. Contributing to increased sales of Red Man were improved quality control, additional advertising and distribution benefits arising from the consolidation of the Pinkerton and cigaret sales forces.

Another GrandMet unit, Allen Products, increased the sales of its principal brand, Alpo, and raised its share of the total canned dog food market to a record high 23%. Operating income in 1982 totaled $23 million, up from $19 million the year before.

Despite intense competition in the premium dog food market and an increase in private label and generic products, Alpo remains the best-selling canned dog food in the U.S.

In addition, Allen has managed to reverse the declining sales of Alpo beef-flavored dinner, as well as make a significant sales gain in the highly competitive dry dog food category.

The Liv-A-Snaps line of pet food treats maintained its leadership position with a solid gain in sales. A new product, Beef Bite Treats, was introduced into the growing category.

Major media spending for the pet foods division was as follows: Alamo brand dry dog food, $1.3 million; Alpo canned dog food, $5.4 million, and Alpo Dog Treats, $1.2 million.

Unfavorable weather and the weak economy combined to make GrandMet's soft-drink bottling operations suffer moderate declines in sales. Operating income for the soft drink operations was down to $27 million from $28 million in 1981.

Both of the company's major Pepsi-Cola franchises, one in the Southeast and the other on the West Coast, have dominant market shares in their high-consumption soft-drink territories. Atlantic Soft Drink Co. recently expanded its business by acquiring another franchise, adding three counties in western South Carolina. Atlantic also expanded its product line by adding "Pepsi Free," a new caffeine-free cola, available in both regular and sugar-free versions.

In October, Pepsi-San Joaquin in California opened its new operating facility, a four-building complex of almost 250,000 sq. ft., thereby consolidating the greater part of bottling operations at one location.

Sales of GrandMet's physical fitness and sporting products, manufactured by Diversified Products Corp., declined in 1982, a drop the company attributed to the continuing adverse effects of the economy. Operating income was down to $12 million in 1982 from $13 million last year. Diversified Products is a leader in fitness products for home use. To strengthen and maintain that lead, the company spent $1.1 million in 1982 to advertise DP Physical Fitness Equipment.

International Distillers & Vintners, the wine and spirits division of GrandMet, saw its earnings in the U.S. rise to $47 million in 1982 from $36 million the previous year. Paddington and Carillon are the IDV units that distribute wines and spirits for IDV in the U.S. Earnings were $46 million.

Paddington's J&B Rare maintained its position as the leading scotch whisky in the U.S., and Bailey's Original Irish Cream increased volume by a whopping 50%. Sales of Bailey's are running about one million cases a year, one of the most remarkable brand success stories in the industry.

The company launched two new products during the year: Demi-Tasse, a coffee cream liqueur with cognac, and Malibu, a white spirit that combines Caribbean rum with grain neutral spirits and coconut.

Profits at Carillon Importers almost doubled as a result of the strength of their imported brands and the increased promotion behind them. Grand Marnier improved its position as the leading French liqueur, gaining 10% in volume. Bombay gin held even in sales, even though imported gins declined as a category.

Absolut vodka moved up fast, and is now, after only two years, close to second place among vodka brands imported into the U.S. IDV's Piat d'Or increased its sales fourfold, and is beginning to emerge as a brand leader among French wines sold in America.

The company spent $1.2 million on Absolut vodka, $6.4 million on Bailey's Irish Cream and $1.1 million on Bombay English gin. Ad support for Grand Marnier liqueur totaled $2.9 million in 1982. The popular J&B scotch received $7.4 million.

Mary Ann O'Connor

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$4,278,300	$2,472,100
Magazines	25,205,700	19,788,200
Spot tv	7,821,200	5,682,000
Network tv	7,873,700	10,533,100
Spot radio	323,200	264,800
Outdoor	4,652,000	2,874,300
Total measured	50,154,100	41,614,500
Total unmeasured	3,845,900	1,885,500
Estimated total	54,000,000	43,500,000

Corporate Marketing Personnel

Jonathan W. Old, president & ceo

Robert H. Fassick, vp-admin

Robert B. Seidensticker, vp-tobacco companies

Jim Adams, vp-corp devel and strategic planning

Dan Provost, vp-public affairs

Al Kalish, director of corporate adv

LIGGETT & MYERS TOBACCO CO.

Marketing Personnel

K.v.R. Dey Jr., president & ceo

Hal Grant, vp-sales & mktg

Don Fish, natl director-adv and promo

John Franklin, mgr of mktg programs

Walt McDonald, branch mgr

Fred DiMenna, adv promo mgr

Joe Drescher, group promo mgr

Bob Seher, director-sales admin & services

L.P. Hughes, natl field sales mgr

Jim McPartland, eastern region sales mgr

Ennis Laws, southern region sales mgr

Dave Jackson, natl director-trade & sales promo

Steven Cohen, director-sales planning & devel

Bobby Rigsbee, director-purchasing

Advertising Agency

Bloom Cos., Dallas—Bill Oakey, mgmt super; Alan Armstrong, acct super; Nancy Rehling, acct exec; Cindy Avery, asst acct exec; Mark Oken, senior vp-media dir; Lynn Christopher, assoc media director; Bev Leibee, media planner, Eve Lights cigarets, L&M Cigarets, Chesterfield, test products.

PADDINGTON CORP.

Marketing Personnel

Al Ferro, president & ceo

Frank Zuracino, vp-genl sales mgr

Bob Suhr, vp-mktg

Al Giordano, vp-rsch planning

Joe McKenna, vp-pr

Susan Lupien, brand director, Bailey's Original Irish Cream

John Seewald, group mktg dir

Tim Mulligan, asst brand mgr

Russ Goyette, group mktg dir

Kevin Meltugh, branch mgr, Demi-Tasse

Lisa Donati, branch mgr, Malibu

D. James McCue, sales promo director

Ann E. Berenger, mgr-sales rsch

Advertising Agency

Backer & Spielvogel, New York—J&B Rare scotch, Catto's Gold Label scotch, Royal Ages scotch, Knockando scotch, Baileys Original Irish Cream liqueur, Demi-Tasse coffee cream liqueur—John Kelly, Malibu vp-acct director; Mike Rowland, acct super; Peter Marsman, acct exec; Mindy Picon, acct exec; Steve Leff, exec vp-ad director, media services; Jay Schoenfield, senior vp-media director; Ann Meschery, vp-assoc media director; Sid Shane, media super, J&B; Valerie Muller, media super, Baileys; Joan Greenberg, mgr-out-of-home.

CARILLON IMPORTERS

Marketing Personnel

Michel Roux, president & ceo

Dick McEvoy, vp-mktg

Carolyn Kaiser, mgr-pr

Ernie Capria, mgr-mktg services and planning

Advertising Agency

TBWA Advertising, New York—Grand Marnier, Absolut vodka, Cherry Marnier, Lapostolle cognac, Bombay gin, Bertani wines, Punte Mes, Achaia Clauss Greek wines and Ouzo, Lescours Abbaye, Dunhill scotch, Ackerman-Lawrence sparkling wines, Piat wines—William Tragos, chairman & ceo; Brian Barry, vp-mgmt super; Claude Fromm, vp-media director; Juon Baillargeon, media super.

PINKERTON TOBACCO CO.

Marketing Personnel

Robert B. Seidensticker, president

Bill Melton, vp-mktg

Don Robelen, chief financial officer & treasurer

Rich Russell, vp-sales director

Dave Steele, prod mgr

Bill Taylor, prod mgr

Advertising Agency

Benton & Bowles, New York—Red Man, Union Station, Big Duke, Black Clipper, Culver Bros. snuff—Bill Sandeberg, acct super; Ira Schwartz, acct super; Frank Massaro, assoc media director.

ALLEN PRODUCTS CO.

Marketing Personnel

Joe Sestak, president & ceo

Jack Foley, exec vp

Frank Krum, senior vp-mktg & sales

Bob Beckwith, vp-sales

Jim Schmoyer, senior vp-operations

Ty Allen, senior prod mgr

Katherine Hillman, senior prod mgr

Ann E. Shaffer, prod mgr

Elaine Moorem, prod mgr-new products

Bart Campbell, mgr-pr

Advertising Agency

Weightman Inc., Philadelphia—Alpo canned and dry dog food, Bi-ta dog biscuits, Liv-A-Snaps pet treats, Alamo dry dog food—John Goodchild, vp-mgmt super; Ralph Day, senior acct super; Doug Schorres, acct super; David Wolfe, Mark Plamondon, William Annesley, Cathy Guarino, acct execs; Neil Harrison, vp-media director; Ray Dundas, assoc media director.

DIVERSIFIED PRODUCTS CORP.

Marketing Personnel

Cal James, president & ceo

Buddy Pilgrim, exec vp

Ira Silberman, senior vp

Ira Pollack, vp-corp mktg & purchasing

James Thompson, vp-mktg & sales

Lanier Johnson, mktg director

Greg Evelad, group prod mgr

Advertising Agency

Walker & Associates, Memphis—Deloss Walker, president.

LEACH INDUSTRIES

Marketing Personnel

Charles Drake, vp & genl mgr

PEPSI-COLA BOTTLING CO.

OF FRESNO

Marketing Personnel

Ron Dorrell, president & ceo

ATLANTIC SOFT DRINK CO.

Marketing Personnel

James Moore, president & ceo

Len Rosinski, vp-mktg

Bob Buys, vp-operations

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Greyhound Corp.

	1982	1981
Sales........	$5,075,000,000	$5,164,000,000
Earnings.....	103,000,000	138,200,000
Advertising*..	75,150,000	75,592,100

*AA estimate

Greyhound Corp., the nation's 73rd largest advertiser, spent $75.2 million on advertising in 1982, a 0.6% decline from ad levels the previous year.

Advertising at Greyhound reflected the over-all sluggish state of the corporation, whose sales dipped 1.7% to $5.075 billion and earnings fell 25.5% to $103 million. The company attributes that to continuing losses at Armour Foods and a marginal decline in bus travel.

Greyhound is in a state of flux: It has agreed to sell its Armour Food Co. meat-processing and packing business for $166 million in cash and stocks to ConAgra Inc., Omaha.

There also is talk of the sale of the Armour-Dial subsidiary, which includes Dial soap, the leading bar soap in the nation the past 20 years. Greyhound is reportedly on the lookout for new acquisitions in new fields while accelerating in its basic industry, transportation, a plan being directed by new chairman John W. Teets. He succeeded Gerald H. Trautman, who had been at the helm of Greyhound since 1965.

The company's first foray into the acquisition market in 1982 ended with the cancellation of an agreement to purchase California-based Peter Piper pizza restaurants. The position of Mr. Teets reportedly was that pizza has gone about as far as it can go.

A liquid soap called Liqua 4 went national during the year, but hasn't caused much excitement in the market place as yet. Advertising positioned it as a "unique moisturizer" to separate it from bar soaps and to go a bit farther on the path created by Minnetonka's Softsoap.

There were no agency changes at Greyhound during the year, but the halls of the company's Phoenix headquarters were said by marketing employes to have been "very active with agency personnel." One reason for this is "what to do about increasing our bus travel," said one Greyhound marketing executive.

Proposals apparently have been put forth to compete in a more head-on manner with the airline industry, which has slashed fares through a major part of Greyhound's turf—the desert Southwest.

Other proposals from agency people have continued to play up the Trailways rivalry, but so far not to Mr. Teets' satisfaction. Evidently the Trailways-Greyhound price war is over for now. Part of the reason for continued gains in the face of reduced air fares is increased emphasis on charter busing and international services, plus special markets that Greyhound has been cultivating. One of these is the "Elderhostel" program of trips for the retired to educational seminars.

There has also been more focus put into Greyhound bus manufacturing (one of the leading money makers in the corporation) and Greyhound Food Management, which operates Greyhound's chain of Briarpatch restaurants in Kentucky and Indiana. The company sees this chain, which is more of a pub-type operation than Greyhound bus stops, as one of its future growth areas.

In the personnel category, there were surprisingly few changes during 1982, with the exception of Mr. Trautman's departure at the age of 70. That had been expected for more than a year. William Robertson took over as senior vp-group marketing director, Armour-Dial Co.

John Revett

ADVERTISING EXPENDITURES

	1982	1981
Newspapers........	$2,888,000	$2,318,800
Magazines.........	5,022,000	5,442,000
Spot tv............	6,290,300	2,323,500
Network tv.........	30,587,800	33,131,800
Spot radio..........	7,044,000	8,766,000
Network radio......	2,168,900	107,600
Outdoor...........	38,400	102,400
Total measured..	54,039,400	52,192,100
Unmeasured.....	21,110,600	23,400,000
Estimated total...	75,150,000	75,592,100

GREYHOUND CORP.

Marketing Personnel

Dorothy A. Lorant, vp-pr and advtg

GREYHOUND LINES

Marketing Personnel

Ralph Borland, mktg director
Leslie Ellis White, pr director

Advertising Agency

Bozell & Jacobs, Dallas—Greyhound passenger lines—Ross Puskar, senior vp; Jim Gibbon, vp-mgmt rep; Jim Martin, acct super; Tony Dammicci, Jean Shelton, acct execs. Package express—Jim Gibbon, vp-mgmt rep; Pat Devlin, acct super. Charter—Jim Gibbon, vp-mgmt rep; Jim Martin, acct super. Hispanic—Jim Gibbon, vp-mgmt rep; Ava Overstreet, acct exec.

ARMOUR FOOD CO.

Marketing Personnel

N.A. Rago, vp-genl mgr, frozen food and foodservice
B.T. Fleming, vp-sales and mktg, fresh and processed meat
K.M. Davidson, pr director
F.X. Tobin, vp-natl accts
P.L. Gupton, natl sales mgr, fresh meat
C.R. Brooks, vp-natl sales mgr, foodservice
W.D. Wallen, director, sales and mktg, processed meats
W.H. Heitz, mktg director, frozen food and foodservice
D.W. Tamsen, director, mktg services
F.W. Brown, mgr, mkt rsch

Advertising Agencies

Bozell & Jacobs, Dallas—T. Dorgan, vp-acct super, fresh and processed meats; P. Rabstein, mgmt super, frozen foods, new prods, foodservice; Dicky Nagy acct super.

Cramer-Krasselt, Chicago—Pfaelzer frozen gourmet meats.

ARMOUR-DIAL CO.

Marketing Personnel

R.E. Garabedian, vp-mktg
K.M. Davidson, director, pr
William Robertson, senior vp-group mktg director, foods
P. Lustig, group mktg director, nonfoods
G. Buckland, prod group mgr, nonfood and new prods
W.B. Martin, senior prod group mgr, foods
G.S. Fritcke, prod group mgr, toiletries
M.G. Norman, prod group mgr, foods
W.H. Windham, vp-sales
C.H. Ferry, vp-customer devel
A.R. DeBolt, vp sales, special mkts
R. Lei, prod group mgr, food and new prods
M.R. Shook, prod group mgr, Tone
P.F. Heising, prod group mgr, household
R. Oliva, director of creative svcs
L. Klein, director of pr

Advertising Agencies

Needham, Harper & Steers, Chicago—Dial soap, new prods.

Foote, Cone & Belding, San Francisco—Tone soap, Liqua 4, canned meats, new prods—Jerry Scott, mgmt super.

Ogilvy & Mather, Chicago—Dial antiperspirant, Appian Way pizza, new prods—Bob Carlton, mgmt super.

Conill Advertising, New York—Hispanic market adv.

Gulf & Western Industries

	1982	1981
Sales*........	$6,423,000,000	$6,518,000,000†
Earnings*.....	199,000,000	252,600,000†
Advertising...	155,031,000	108,480,900

*Fiscal years ended July 31
†Restated to reflect discontinued operations

Gulf & Western Industries, New York, the 42nd largest national advertiser, increased its U.S. advertising expenditures by 43% to $155.1 million in 1982 from $108.5 million the previous year. The large increase came on the strength of heavy advertising and promotion at G&W's biggest spender, Paramount Pictures Corp. Other heavy advertisers in the G&W family were Kayser-Roth Corp., Simon & Schuster and Simmons Co.

G&W's net sales of $6.42 billion in fiscal 1982 were down 1.5% from fiscal 1981. Net earnings decreased even more markedly, declining by 21.2% to $199.0 billion in fiscal 1982.

Major changes have been taking place at G&W since February when its chairman and chief executive officer, Charles Bluhdorn, died of a heart attack.

The biggest change was announced in mid-August when G&W released a preliminary earnings report covering fiscal 1983 ended July 31. It announced it was writing off $470 million for the year in the divestiture of its natural resources operations, two racetracks and various other operations, including Sega Enterprises, a marketer of coin-operated video games. The write-off would produce a loss in earnings of $215 million for the year. Income from continuing operations, though, would be about $225 million in 1983, compared with $165 million in 1982.

In addition, the company reorganized its corporate structure, reducing its operations from seven groups to three: Entertainment and communications, financial services and consumer and industrial products. Mr. Bluhdorn was replaced by Martin S. Davis. Mr. Davis, who took the position of vice-chairman and ceo, immediately began to streamline the company.

The poorly performing natural resources division proved first to go. Its contribution in fiscal 1982 to over-all operating income among G&W groups was −3%, compared with leisure time, 23%; consumer products, 20%; food products, 17%; manufacturing, 16%; automotive and building products, 7%, and financial services, 20%.

The entertainment and communications group, which had revenues of $1.4 billion in 1982, comprises Paramount Pictures Corp. and its subsidiaries; Simon & Schuster, publisher of hardcover and paperback books; Sega Enterprises, manufacturer of coin-operated videogames; Madison Square Garden Corp., the sports and entertainment organization; Famous Players Ltd., which operates theaters in Canada and France, and Famous Music Corp., which is engaged in the business of music publishing copyrights.

Paramount was the corporation's biggest advertiser with expenditures of $75.4 million in fiscal 1982, compared with $50.8 million in fiscal 1981. Measured media ad spending in calendar 1982 totaled $21.4 million, up from $18.3 million in 1981. The company's film rentals in the U.S. and Canada brought in $200.3 million in fiscal 1982. Paramount Pictures' biggest box-office successes in 1982 were "An Officer and a Gentleman," starring Richard Gere, Debra Winger and Lou Gousett Jr., who won an Oscar for best supporting actor, and "Star Trek II: The Wrath of Khan."

"Star Trek II" broke eight box office records, including attracting the highest amount in box office receipts over one weekend: $4.4 million at 1,621 theaters.

Paramount is planning a sequel, "Star Trek: In Search of Spock." Other films released in 1982 included "Airplane II: The Sequel" and "48 Hours."

This past spring, Paramount began using video trailers to promote its movie. For the popular "Flashdance," the studio used two-minute spots on MTV: Music Television, the Warner Amex cable program, and on "Night Flight," the music program on USA Network.

Also, in January, Sherry Lansing resigned as president of the movie production division of 20th Century-Fox Film Corp. to form, along with producer Stanley Jaffe ("Kramer vs. Kramer"), Jaffe-Lansing Productions, a company affiliated with Paramount.

Miss Universe Inc. moved from Gulf & Western's Kayser-Roth to Paramount Pictures' supervision in 1982. The move is an indication that the pageant will expand its tv and cable tv reach, as well as its licensing operations. In July, 1982, Miss Universe posted a 24.7 rating and 43 share.

USA Cable network, in which Paramount Pictures holds a 33% interest, topped its monthly record in advertising revenue in June, 1982, selling nearly $4 million in spots. The network, which has about 20 million subscribers, began testing a pay-per-view network in two systems during the fall of 1982.

Paramount Television had nine network tv series on the air during the 1982-83 season: "Family Ties," "Cheers," "The Powers of Matthew Star," "Joanie loves Chachi," "Happy Days," "Laverne and Shirley," "Taxi," "Star of the Family" and "The New Odd Couple."

In addition, "The Winds of War," an 18-hour miniseries based on Herman Wouk's best seller and produced by Paramount, was aired through the week of Feb. 6 in five installments. The series, which cost $43 million to produce, starred Robert Mitchum, Ali MacGraw, Jan Michael Vincent and Polly Bergen. "A Woman Called Golda," a dramatization of the life of Israeli Prime Minister Golda Meir, starring the late Ingrid Bergman, swept its time slot in New York, Los Angeles, Chicago and San Francisco; in New York it had a 23.6 Nielsen rating.

Bristol-Myers, General Foods, Lever Bros., Warner-Lambert and S.C. Johnson & Son were among the sponsors most supportive of Paramount Television domestic division's barter syndication shows.

"Solid Gold" was selling in more than 200 outlets, "Madame's Place" in more than 80 (about 15% above the percentage targeted tv homes) and "Entertainment Tonight" in about 200.

In another entertainment area, Paramount Home Video sold an estimated 3 million videodiscs in 1982; in 1981 its own "Airplane" was the top disc seller. In addition, Paramount Home

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BUYERS QUIZ

1. Which of the top 5 metro markets has the highest spendable income per household? (answer) Detroit

2. Which of the top 5 metro markets has the highest retail sales per household? (answer) Detroit

3. What is Detroit's fastest growing TV Station? (answer) WXON-TV 20

20
wxon Detroit

Source Aug. 1983 SRDS

100

Video in 1982 started distributing videogame cartridges compatible with various consoles, including Atari.

Sega Enterprises, Gulf & Western's manufacturer of coin-operated games, broke new ground by advertising its Zaxxon arcade game—$294,000 in spot tv, according to Leading National Advertisers—the first time an arcade game has been advertised on tv.

Simon & Schuster, G&W's book unit, had a number of best-selling trade titles in 1982, including "Lace" by Shirley Conran; "Jane Fonda's Workout Book" by Jane Fonda; "The Last Days of America" by Paul Erdman, and "The Prodigal Daughter" by Jeffrey Archer.

Best-selling paperback titles included "This Calder Range" by Janet Daily; "Goodbye, Janette" by Harold Robbins; "Real Men Don't Eat Quiche" by Bruce Feirstein, and "The Cinderella Complex" by Colette Dowling. Best-selling trade paperbacks included "The M.B.A. Handbook" by Jim Fisk and Robert Barron; "Cat's Revenge" by Philip Leif, and "I Hate Preppies Handbook" by Ralph Schoenstein.

In 1982, Simon & Schuster spent $15 million in advertising and promotion ($6.5 million in measured spending, compared with $2.8 million in 1981) of its Silhouette Romance line of romance novels.

In addition to Silhouette Romance, the series now includes Silhouette First Love, Silhouette Special Edition, Silhouette Intimate Moments and Silhouette Desire.

Madison Square Garden Corp., G&W's sports entertainment enterprise, owns and operates, through subsidiaries, the Madison Square Garden Center in New York City, the New York Knickerbockers basketball team, the New York Rangers hockey team and Roosevelt Raceway in Westbury, N.Y.

An affiliate of Madison Square Garden also owns Arlington Park Race Track and operates, as a lessee, Maywood Park, both in the Chicago area.

Additionally, the company owns 80% of International Holiday on Ice, which operates five touring ice shows in Europe, Asia and Latin America.

Madison Square Garden Cablevision now brings 1.4 million cable subscribers an annual total of 135 Garden events in three-hour blocks and provides a nightly horse racing show.

G&W's consumer products group had net sales of $1.688 billion in fiscal 1982, down slightly from $1.691 billion in 1981.

The group is composed of Kayser-Roth, a diversified marketer and distributor of apparel, hosiery and textiles; Simmons Co., a worldwide leader in bedding products, and Simmons Universal, which produces a variety of home and institutional furnishings, healthcare equipment and burial caskets. (With the corporate restructuring, the group now includes industrial products operations as well.)

In January, 1983, the company sold its Consolidated Cigar Co. unit to a management group led by the cigar company's president for about $120 million.

Kayser-Roth's well known brand names include Catalina bathing suits, Cole of California and Cole Jrs., Beach 'n Beyond, Sandcastle, Going Places, Excello, Her Majesty Industries children's wear, Oscar de la Renta menswear, Liz Claiborne, Cheryl Tiegs sportswear, Cresco, Century Sportswear, Champion, John Weitz, Mr. California, John Newcombe tennis wear and Kayser intimate apparel.

Among new products introduced in 1982 were Bay Club line of misses active sportswear produced by Catalina and the Ann Cole Collection produced by Cole of California.

The company has preparations are under way to market other misses sportswear under license agreements with Jonathan Logan.

Approximately 25% of Kayser-Roth's total sales in fiscal 1982 went to Sears, Roebuck & Co., K mart and J.C. Penney Co.

The hosiery division produces women's pantyhose and stockings under such brand names as No Nonsense, Easy to Be Me, Supp-hose, Jordache and Kayser.

Men's hosiery is marketed under such names as Interwoven, Esquire, Supp-hose, Sock Sense and Fruit of the Loom.

No Nonsense was the recipient of the most measured advertising support, $6.9 million in 1982, though the total was down substantially from the $11.1 million spent in 1981.

During fiscal 1982, Kayser-Roth acquired the Burlington ladies hosiery and Burlington socks divisions of Burlington Industries.

In fiscal 1982, Simmons Co. introduced the Beautyrest Gemini, which has two separate "Comfort Cores"—either conventional, hybrid waterbed or inflatable.

Mattresses marketed under the Simmons brand name were supported by $3.0 million in measured ad spending in 1982, down from $6.8 million in 1981. Other bedding products are marketed under such brand names as Beautyrest, Hide-A-Bed, Beautyrest Feelings, Maxipedic, Evening Whisper, Beautywave, Deepsleep, Simcopedic and Slumber King.

Simmons Universal Corp., the segment which markets the company's furnishings, is divided into two divisions, which sell wallcoverings, diversified fabrics and furniture under the following names: Bloomcraft, Century, Old Stone Mill, Thonet, Katzenbach and Warren, Greeff Fabrics, Gulf & Western Healthcare, Albert Van Luit and Selig.

G&W's food products group had net sales of $326 million in fiscal 1982, compared with $425 million in 1981. Of the 1982 total, some $249 million of net sales were from the company's raw and refined cane sugar business conducted primarily in the Dominican Republic and Florida.

The manufacturing group had net sales of $1.15 billion in fiscal 1982, compared with $1.16 billion in 1981, and the automotive and building products group had net sales of $540 million in fiscal 1982, down from $560 million in 1981.

The group's distribution division includes American Parts System, which markets through approximately 1,300 Big A Auto Parts Stores across the nation.

During fiscal 1982, the company opened a $2 million, 60,000-sq.-ft. facility in Houston that features what is termed the most advanced, automated materials handling equipment available.

The natural resources group had net sales of $221 million in fiscal 1982, compared with $362 million in 1981. Before it was announced the whole group would be canned, G&W had ridded itself of a cement operation, a chemical plant and mining operations of the group.

About a week before the announced sell-off of the natural resources group, group president and chief executive officer, James Poole, resigned. He was replaced by John Thompson, executive vp for natural resources.

Jim Hammett

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$4,506,100	$5,627,600
Magazines	6,105,600	4,668,100
Spot tv	21,863,400	23,160,400
Network tv	24,332,200	27,864,500
Spot radio	615,200	537,400
Network radio	822,100	448,100
Outdoor	280,000	252,400
Total measured	57,722,600	61,458,500
Unmeasured	97,308,400	47,030,400
Estimated total	155,031,000	108,488,900

GULF & WESTERN INDUSTRIES
Corporate Personnel
Jerry Sherman, vp-corp communications
PARAMOUNT PICTURES CORP.
Corporate Personnel
Jon J. Gould, vp-corp communications
MOTION PICTURE DIVISION
Marketing Personnel
Frank Mancuso, president
Martin Kutner, exec vp
Gordon Weaver, president-mktg
Thomas Campanella, vp-natl adv
Sergio Campagnola, vp-asst sales mgr
Shelly Hochron, senior vp-adv/creative services
Kathy Jones, vp-publicity & promo
Barry London, senior vp-domestic distribution
Alfred LoPresti, vp-worldwide technical facilities
Dianne Mandell, vp-merch and licensing
Susan Pile, vp-West Coast publicity
Leslie Pound, vp-intl mktg
Steve Rapaport, vp-sales operations
Steve Rose, senior vp-mktg
Buffy Shutt, vp and asst to president-Paramount Distribution
TELEVISION GROUP
Chris Hauser, vp-adv and promo, tv group
Richard Winters, publicity/adv
Rick Weidner, vp-adv and promo services
Hollace Brown, vp-adv and sales promo, home video div
Advertising Agency
Diener/Hauser/Bates, New York
SIMON & SCHUSTER
Marketing Personnel
TRADE BOOK DIVISION (hard cover)
Strome Lamon, vp-corp adv director
Elaine Marion, vp and director-mktg services
Sam Meyerson, vp-mail-order sales
POCKET BOOKS (paperback)
Peter Minichiello, vp-director of adv
Advertising Agencies
Geer, DuBois, New York.
Franklin Spier Inc., New York.
Silhouette Books
Al Lieberman, senior vp-director of mktg
Mona Altman, director-mktg communications
Linda Schwartz, director-mktg services
Bud Egbert, senior vp-sales
Fred Milman, senior vp-Simon & Schuster Enterprises
Advertising Agencies
Ogilvy & Mather Partners, New York.
Ogilvy & Mather Merchandising.
Ogilvy & Mather Direct Response.
MADISON SQUARE GARDEN CORP.
Corporate Personnel
James Trecker, director-corp communications
Robert J. Cole, director-adv, MSG Center
Advertising Agencies
MSG Advertising (inhouse).
Sports Advertising (inhouse).
Harrison Higgins Inc., New York.
Ashe/Le Donne, New York.

KAYSER-ROTH CORP.
Corporate Personnel
Maurice Forman, director-mktg dev
CATALINA
Marketing Personnel
Patricia L. Shaeff, div adv mgr
COLE OF CALIFORNIA
Sheri Mobley, div adv mgr
CROWN TEXTILE
Richard Sheer, president
KAYSER-ROTH MEN'S APPAREL GROUP
Joseph Barrato, president
CHAMPION
Edwin J. Berkowitz, president
EXCELLO
Joe Losgar, president
HER MAJESTY INDUSTRIES
Louis Maier, president
KAYSER-ROTH HOSIERY GROUP
Jack R. Hobert, president
K-R SOCKS, BRANDED PRODUCTS DIVISION
(includes Interwoven & Burlington Socks)
J.B. Adams Jr., president
LADIES HOSIERY
Terry Johnson, president
Sam McCormick, mktg director
NO NONSENSE FASHIONS
Dixon Johnson, president
Richard F. Carter, vp-mktg
K-R INTIMATE APPAREL
Elaine Tirella Salerno, div adv mgr
K-R GLOVES & ACCESSORIES
Nina McLemore, president
ROLANE CORP.
Cecil Sherman, president
Art Williams, adv director
Advertising Agencies

Keye/Donna/Pearlstein, Beverly Hills, Cal.—Ladies Division, Catalina.

Taylor & Co., Beverly Hills, Cal.—men's division, Catalina.

Michelson Advertising, Los Angeles—Cole of California.

Altman, Stoller, Weiss, New York—Crown Textile.

Anesh, Viseltear, Gumbinner, New York—Kayser-Roth men's apparel group, Champion, Excello.

Leslie Advertising, Greenville, S.C.—Her Majesty Industries.

Grey Advertising, New York—Kayser-Roth hosiery group, ladies hosiery, No Nonsense Fashions.

Mintser, Trossler & Rothschild, New York—Kayser-Roth intimate apparel.

Park Place Group, New York—Kayser-Roth gloves & accessories.

Trone, Donohoe & Johnson, Greensboro, N.C.—Rolane Corp.

SIMMONS U.S.A. & SIMMONS INTERNATIONAL
Marketing Personnel
Robert Magnusson, president
Richard Smith, vp-mktg
Larry Alm, vp-adv & pr
SIMMONS UNIVERSAL
Alfred Marchitto, president
Advertising Agencies

McDonald & Little, Atlanta—Simmons U.S.A.

Springtime Advertising (inhouse)—Simmons U.S.A.

Marjorie Katz Design, New York—Gulf & Western Healthcare, Thonet Industries.

Butz & Campbell, Chicago—Simmons Juvenile Products Co.

Scott, Lancaster, Mills & Atha, Los Angeles—Albert Van Luit & Co.

Sweet & Co., New York—Selig Manufacturing Co.

GULF & WESTERN MFG CO.
Thomas H. Smith, director-adv/pr
Susan O'Sullivan, director-mktg
Advertising Agencies

Josephson, Arnold & Co., Upper Montclair, N.J.
Jaqua Advertising, Grand Rapids, Mich.
Creamer Inc., Providence, R.I.
Miller Advertising, New York.
Ferguson Advertising, Jenkintown, Pa.
Creswell, Munsell, Fultz & Zirbell, Cedar Rapids, Ia.
McCarron, Kane, Burbank, Cal.
Huntington Graphics, Abington, Pa.
Horton, Church & Goff, Providence, R.I.
Goodchild & Eidson, Providence, R.I.
Bonner McLane Advertising, Austin, Tex.

AMERICAN PARTS SYSTEM (APS)
Fred J. Pisciotta, president
Montie C. Loney, vp-admin
Robert E. Casper, director-adv and pr
GULF & WESTERN NATURAL RESOURCES GROUP
Gordon R. Smith, vp-corp communications

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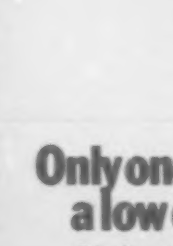

For more information, call (703) 222-6172 or write: AAA TourBook Advertising, Department AA, 8111 Gatehouse Road, Falls Church, Virginia 22047.

*Source: SRDS. December 1982.

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Ryland L. Hoskins, director-corp communications

Advertising Agency

Holder, Kennedy & Co., Nashville and New York.

ASSOCIATES CORP. OF NORTH AMERICA

Fred Stern, senior vp-consumer adv

Advertising Agency

Bozell & Jacobs, Dallas, Tex.

ASSOCIATES COMMERCIAL CORP.

D.F. Edwards, vp-transportation mktg
J.M. Gaster, vp-equipment mktg
D.F. Herrick, senior vp-business loan mktg
R.J. Maggiore, vp-communications mktg
Clifton Noble, vp-corp mktg svcs

Advertising Agency

Stern Walters/Earle Ludgin, Chicago

H.J. Heinz Co.

	1982	1981
Sales*	$3,738,445,000	$3,608,500,000
Earnings	214,250,000	192,802,000
Advertising**	235,670,700	160,175,000

*Fiscal year ends April 28
**AA estimate for calendar years

H.J. Heinz Co., the nation's 23rd largest advertiser, spent an estimated $235.7 million on domestic advertising in 1982 compared with an estimated $160.2 million the previous year.

Heinz increased its sales and earnings for the 20th consecutive fiscal year. Consolidated sales rose 1.4% to $3.7 billion and net income increased 11.1% to $214.2 million in fiscal 1982.

Heinz manufactures and markets more than 1,450 products worldwide under its Heinz U.S.A., Star-Kist Foods, Ore-Ida Food and Weight Watchers International divisions. Approximately $270 million was spent promoting those products worldwide in 1982, some $30 million more than in 1981, according to the company.

The steady increase in promotion expenditures is based on the belief that tough economic times are exactly when the marketing effort must be strengthened to avoid loss of market share and to support new products, according to president and chief executive officer, Anthony J.F. O'Reilly.

He says the company could reach promotion expenditures of nearly $300 million in 1983. (Heinz spent $150 million alone in worldwide tv advertising in 1982.)

Of the $4 billion in sales the company expects to reach in 1983, almost half or $2 billion of that will be sold under brand names other than the H.J. Heinz Co. brand.

One of those brands is that of Weight Watchers International, which is in one of the high growth markets in which the Heinz company hopes to increase in market share.

"The dimensions of this market, here and around the world, are truly impressive," says Mr. O'Reilly. He has reason for optimism, too. In the U.S. alone, it is estimated that 83 million people—71% of them women—want to lose weight, and 85% of that total female population in the U.S. has heard of the Weight Watchers name and associates the name with losing weight, says the company.

During 1982, the entire Weight Watchers line of 29 products was reformulated and relaunched with excellent results despite the recession and intense competition from Stouffer's Lean Cuisine. Monthly sales for Weight Watchers entrees were up as much as 50% compared with year-earlier periods, the company says.

Heinz is matching that success with increased advertising revenues. Media support for Weight Watchers Frozen Meals rose to $6.8 million in 1982 from $3.2 million in 1981. Measured media support for Weight Watchers Frozen Treats leaped to $1.7 million in 1982 from an almost nonexistent $3,100 budget the previous year, and this line is expected to achieve retail sales through dairies in excess of $100 million in 1983, the company reports.

Heinz also hopes to cash in on a new line of frozen low-cal desserts and a new line of low calorie salad dressings, which are now being test-marketed. Another product that is paying its own way is Heinz' Alba 77 Fit n' Frosty milk shake mix, a product that received $740,300 in measured media in 1982 compared to $374,800 in 1981. Media spending for Alba 66 Diet Hot Cocoa Mix also rose to $359,000 from $265,800 a year earlier.

Shrinking way down in promotion efforts was Heinz Baby Food on which the company spent $54,100 in 1982 compared to $182,500 in 1981.

Also hurt by an apparent oversupply and a rush of generic competition was Heinz' Star-Kist tuna, a product whose advertising budget was slashed 152% to $2.9 million in 1982 from almost $7 million in 1981.

But the company added almost $1 million to its popular Heinz Home Style canned gravies in 1982; up to $3.2 million in measured media support from an estimated $2.2 million the year before.

Spending for Heinz steak sauce almost tripled from $3.2 million in 1981 to $9.2 million. Heinz tomato ketchup received almost a 30% increase in advertising revenues for 1982, up to $15.6 million from a budget of $10.9 million the previous year.

The company sees its biggest opportunity for growth in Europe, where it recently acquired the Fratelli Sperlari candy factory in Italy and the Ets. Paul Paulet, a French fish and pet food processor in France.

In Europe, the market for tuna and pet food, which is half the size of that in the U.S., is growing faster than it is stateside. Heinz also recently purchased a majority interest in Olivine Industries, a producer of edible oils, margarine, soap, candles and feed supplements in Zimbabwe.

Expansion into new markets is part of the carefully thought out and defined plan to move "where we have the natural advantage of experience," says Mr. O'Reilly.

"Without being a low-cost producer, it is difficult, if not impossible, to make strategic acquisitions, to expand geographically or to keep new and improved products flowing into major growth markets," he adds.

"Tradition, in our view, is not reason enough for continuing to produce an item that does not pay its own way."

Eileen Norris

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$3,712,500	$2,964,100
Magazines	5,874,000	4,830,200
Spot tv	22,634,300	17,083,200
Network tv	45,916,000	33,331,200
Spot radio	429,800	109,000
Network radio	—	82,600
Outdoor	4,100	7,100
Total measured	78,570,700	58,407,400
Unmeasured	157,100,000	101,767,600
Estimated total	235,670,700	160,175,000

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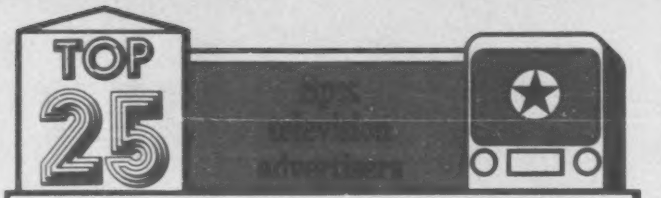

Rank	Advertiser	Expenditures 1982	Expenditures 1981
1	Procter & Gamble	[illegible]	[illegible]
2	General Mills	117,610.3	93,036.1
3	McDonald's Corp.	[illegible]	75,272.4
4	PepsiCo Inc.	[illegible]	[illegible]
5	General Foods Corp.	70,799.1	84,934.9
6	AT&T Co.	65,654.1	59,759.8
7	Dart & Kraft	[illegible]	44,106.3
8	Coca-Cola Co.	59,311.3	47,759.9
9	R.J. Reynolds Industries	47,138.1	39,361.4
10	Anheuser-Busch Cos.	46,854.4	31,486.8
11	Mars Inc.	46,508.6	32,217.7
12	Pillsbury Co.	46,122.8	32,590.6
13	Toyota Motor Corp.	44,792.1	38,616.4
14	Unilever U.S.	43,765.5	47,949.9
15	American Home Products	36,733.6	40,376.7
16	Philip Morris Inc.	34,446.0	20,052.6
17	Warner-Lambert Co.	32,907.2	29,822.0
18	Nissan Motor Corp.	32,671.1	20,006.2
19	ITT Corp.	30,951.0	27,614.7
20	Time Inc.	30,339.9	30,025.2
21	Kellogg Co.	30,054.3	17,276.7
22	G. Heileman Brewing Co.	29,180.3	8,671.8
23	Nestle Enterprises	28,712.9	27,199.9
24	General Motors Corp.	27,244.2	13,940.9
25	Warner Communications	27,154.8	16,193.5

Source: Net time figures from Broadcast Advertisers Reports and supplied to Leading National Advertisers.

HEINZ U.S.A.

Marketing Personnel

Consumer Products Division

J. Crawshaw, genl mgr, condiment and sauces mktg
W. Johnson, genl mgr, new business mktg
J.P. Berger, group prod mgr, food services mktg
S.W. Scott, group prod mgr
K.A. Conner, category mgr, Weight Watchers
J.A. Gordon, senior mgr, adv, promo and design

Package Goods Division

C.L. Roberts, vp
A.D. Witteman, genl business mgr, soup, beans, baby food
R.H. Sanks, genl business mgr, pickles, vinegar, sauces

Sales Division

W.V. Costello, vp-sales
Jon Peterson, genl mgr-grocery sales
T.R. Jones, genl mgr-food service sales

Advertising Agencies

Food Group, New York—foodservice prods—D. Axleroad, president

Doyle Dane Bernbach, New York—Foodways National (Weight Watchers frozen foods)—Bob Freeman, senior vp/mgmt super; Gagliardi Bros.—G. Roberts, sen vp-mgmt super; R. Lilienfeld, vp-acct super Steak-Umm.

Leo Burnett USA, Chicago—ketchup, pickles, relishes, gravy, baby food—H. Feeley, exec vp; T. Ross, vp-acct dir.

Ketchum Advertising, Pittsburgh—57 Sauce, barbecue sauce, vinegar, Alba, Corp and U.S. pr.—B. Stein, vp—mgmt super.

STAR-KIST FOODS

Marketing Personnel

R.L. Scharer, vp-mktg
W.H. Gassett, genl mgr
T. Sanford, group mgr, mktg services
J. Comber, natl merch mgr
A.A. Ayotte, natl sales mgr
H.H. Seigler, group prod mgr, seafood
R.L. Wilkerson, group prod mgr, pet food

Advertising Agencies

Leo Burnett, USA, Chicago—Star-Kist tuna, 9-Lives cat food, Amore cat food, Jerky Treats dog treats, Meaty Bone dog snacks—C. Mills, senior vp-acct dir; B. Krause, acct super; H. Kogan, acct super.

ORE-IDA FOODS

Marketing Personnel

Dietmar Kluth, vp-sales mktg
Wayne Durfey, genl mgr, food services
David D. Bohecker, genl mgr, retail mktg
M. Vince Shaar, genl mgr, retail sales
Martin V. Thomas, genl mgr, sales & mktg services
Stanford P. Darger, genl mgr, mktg-Foodways National
Geoffrey V. Supko, vp-sales & mktg, Gagliardi Bros.
John W. Bauer, genl mgr, retail mktg, Gagliardi Bros.

Advertising Agencies

Doyle Dane Bernbach, New York—Grant Roberts, senior vp-mgmt super.

Foote, Cone & Belding/Honig, San Francisco—Byron Mayo, senior vp-mgmt super.

WEIGHT WATCHERS INTERNATIONAL

Marketing Personnel

Robert F. Laub, vp-mktg

Advertising Agency

DDB/Group Two, New York—Weight Watcher's classes—Irwin Satin, mgmt super.

Hershey Foods Corp.

	1982	1981
Sales	$1,565,736,000	$1,451,151,000
Earnings	94,168,000	80,362,000
Advertising*	60,000,000	56,516,000

*AA estimate

Hershey Foods Corp., Hershey, Pa., the nation's 88th largest national advertiser—and the one with the "E.T." connection—increased its advertising spending 6% to approximately $60 million in 1982.

Chocolate is Hershey's most famous business and in 1982 one of its newest candy entries, Reese's Pieces, benefited from an extraordinary and extraterrestrial stroke of good luck. A fortunate licensing arrangement with Universal Pictures resulted in a Reese's Pieces endorsement by that loveable alien, E.T., from the movie blockbuster of the same name.

But while it was good luck for Hershey, it was bad luck for archcompetitor M&M/Mars. The two account for two-thirds of the U.S. confectionery market. M&M/Mars had declined Universal's offer to have its M&M brand scripted into the E.T. movie, thereby opening the door for Hershey's Reese's Pieces to become "E.T.'s favorite candy," which is how Hershey has been labeling it in ads in the aftermath of the movie's stunning success.

By all counts, the E.T. connection was a promotional bonanza for Hershey. Combined with increased ad spending, it helped spur the company to a record sales of $1.57 billion consolidated, up 8% from 1981. Net income rose 17% to $94.2 million from $80.4 million.

For the first half of 1983, sales were a record $779.2 million, compared with $704.8 million in the first half of 1982. Last year's 6% increase in ad expenditures followed a nearly 37% increase for the preceding year.

Keynoting Hershey's coming of age as an advertising leader (Hershey's launched its first ever national ad campaign in 1970) was the selection last fall of Hershey vp for new-business development John Dowd as chairman of the Assn. of National Advertisers.

Hershey Foods' chocolate and confectionery segment includes Hershey Chocolate Co., H.B. Reese Candy Co. and Y&R Candies. Chocolate and confectionery product sales account for 70% of Hershey Foods consolidated sales or $1.08 billion in 1982. Despite record results, sales would have been better had not the Tylenol scare occurred around Halloween. It affected candy sales nationwide and cut Hershey sales by 20% of sales reported during the period the previous year.

The principal product groups at Hershey are bar goods, bagged items, baking ingredients, chocolate drink mixes and dessert toppings. They are registered under more than 30 brand names. On the "Chocolate Wars" front, Hershey increased the weight and price (from 25 cents to 30 cents) of its standard bar line in spring, 1982, joining the other candy bar marketers in having a 30 cents standard bar line and ending what had become, for retailers, a troublesome two-tier pricing arrangement. Meanwhile, in its continuing cash refund battle with M&M/Mars, Hershey has been offering refunds to consumers sending in Hershey wrappers.

Reese's Pieces and its E.T. tie-in was the big advertising story for Hershey in 1982. Introduced into specific markets in 1978, the new product's first full year of national distribution was 1982. When "E.T." became an overnight box office success, Reese's Pieces became a similarly overnight success at the candy counter. Nationwide sales jumped nearly 70%, and Hershey went to around-the-clock production to keep up with consumer demands.

Reese's Pieces ads began offering free E.T. stickers and E.T. T-shirts to consumers who sent in labels as proof of purchase. Hershey switched its Reese's Pieces account ($1.9 million in measured media spending in 1982) midyear to Doyle Dane Bernbach from Ogilvy & Mather.

Elsewhere on the Hershey new product front, After Eight dinner mints, previously available only in Northeast markets, were rolled out nationally around Thanksgiving. Golden Almonds got its first national ad campaign at Christmas. Skor, a chocolate-coated butter toffee bar, was introduced into test markets and Hershey's Frostin ready-to-spread cake frosting, was expanded.

In the growing granola bar market, Hershey has been gearing up a promotional salvo for its New Trail granola bar. Sources have been predicting that Hershey is now about to go "gangbusters" with New Trail in the market.

In the Canadian market, Hershey continued to concentrate promotional efforts on its new and recently-introduced product entries. Five Big Block items were introduced last year, including Pecan and Raisin Almond, both of which are unique to the Canadian market. It also supported expansions for Reese's Pieces and Special Crisp (the Canadian version of Whatchamacallit) and introduced Nibs candies.

Hershey's most heavily advertised products last year were: Hershey's candy bars, receiving more than $8 million in measured media spending (up substantially from the $7 million for the previous year); Reese's candies, $4.6 million; Reese's Pieces, $1.9 million; Hershey chocolate Kisses, $3.8 million; Whatchamacallit, $2.7 million (down $1 million); Hershey chocolate syrup, $3.2 million, and Rollo Candy, $1.4 million. Hershey chocolate chip spending, meanwhile, fell to $500,000, from $2.3 million.

Hershey Foods also operates the Friendly Ice Cream Corp. restaurant chain; San Giorgio-Skinner Co., a major pasta products producer, and Cory Foods Services, an office coffee service plan.

Friendly Ice Cream Corp., acquired by Hershey in 1979, completed the opening phase of an ongoing modification program that is repositioning the chain as an informal family restaurant. It has also been standardizing its chainwide menu.

Twenty-four new restaurants joined the chain, bringing the total to 641 at yearend. They are located primarily in the Northeast and Midwest.

Friendly, receiving $2.5 million in

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tv advertising support last year, went chainwide with a line of ice cream pies after testing in late 1981. Friendly also has a new line of ice cream cakes in test.

San Giorgio-Skinner, Hershey's pasta division, markets products in approximately 50 major U.S. markets, and consists of four regional pasta companies: San Giorgio Macaroni, Lebanon, Pa.; Delmonico Foods, Louisville, Ky.; Procino-Rossi Corp., Syracuse and Skinner Macaroni Co., Omaha, Neb.

Together, the four regional companies combined for an over-all 11% sales increase from 1981.

Light 'N Fluffy elbow macaroni went into test market in early 1982 as a new companion to the Light 'N Fluffy noodle line.

San Giorgio ads continue to stress a "quality" theme line to help fight the low-price import brand and generic brand competition.

Cory Food Services had declining sales for a third straight year. The over-all coffee sales decline, however, was partly offset by growth in allied product lines such as teas, soups and canned juices, and gains for its equipment leasing services.

Tom Donlon

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$1,540,600	$2,132,600
Magazines	4,606,800	2,285,200
Spot tv	13,536,600	9,807,800
Network tv	25,536,200	30,098,500
Spot radio	870,900	664,500
Network radio	—	678,800
Outdoor	64,100	7,700
Total measured ..	46,235,200	45,676,100
Unmeasured	13,764,800	10,839,900
Estimated total ..	60,000,000	56,516,000

HERSHEY FOODS CORP.

Marketing Personnel

Harold S. Mohler, chairman
William E. Dearden, vice-chairman, ceo
Richard A. Zimmerman, president

HERSHEY CHOCOLATE CO.

Marketing Personnel

Earl J. Spangler, president
John H. Dowd, vp-new business devel
Gary W. McQuaid, vp-mktg

Advertising Agencies

Doyle Dane Bernbach, New York—Kit Kat, Mr. Goodbar, Hershey's Syrup, Whatchamacallit, Y&S Candies, Reese's Pieces, Skor, Hershey's Frostin, Hershey's chocolate milk, new prods—Peter Tate, senior vp-mgmt super.

Ogilvy & Mather, New York—Hershey's Kisses, milk chocolate, Hershey's baking chocolate, Hershey's chocolate chips, Hershey's cocoa, Hershey's hot cocoa mix, Hershey's milk chocolate with almonds bar, Hershey's fudge topping, Golden Almond, Reese's peanut butter cups, Reese's peanut butter chips, Big Block, Rolo miniatures, New Trail bar, Giant Kiss, After Eight, Chocolate Covered Almonds, Marabou milk chocolate rolls—John Blaney, senior vp-genl mgr; Michael Vaughan, senior vp-mgmt super.

FRIENDLY ICE CREAM CORP.

Marketing Personnel

James D. Staggs, chairman-ceo
John F. Cauley, president-ceo
Joseph A. O'Shaughnessy, exec vp
John D. Burke, vp-mktg

Advertising Agency

Quinn & Johnson, Boston—Edward W. Quinn, president; Robert S. Johnson, exec vp; Jay Terwilliger, acct exec.

SAN GIORGIO-SKINNER

Marketing Personnel

Joseph P. Viviano, president-ceo
Clifford K. Larsen, vp-mktg

Advertising Agency

Creamer Inc., New York—San Giorgio pasta prod, P&R Macaroni, Skinner and Delmonico brands—Albert J. Bouchard, exec vp.

ITT Corp.

	1982	1981
Sales........	$21,921,000,000	$23,197,000,000
Earnings.....	702,816,000	676,804,000
Advertising*..	159,131,000	152,460,000

*AA estimate

ITT Corp., formerly known as the International Telephone & Telegraph Corp., spent $159.1 million on advertising last year, up 4% from 1981, to rank as the 39th largest national advertiser.

Revenues for the New York-based conglomerate dropped 6% to $21.9 billion in 1982, while net income increased 4% to $702.8 million for the same period. For the first quarter of 1983, net income dropped 17% to $134 million and revenue decreased 9% to $4.9 billion.

When the company changed its name to ITT Corp. in May of this year, the switch was designed to illustrate the "substantial diversification and growth" of the company since it started as a telephone and telegraph concern in 1920. Ironically, though, the name change comes at the same time that the company is refocusing on the telecommunications business as it charts its path for the 1980s and beyond.

For the last decade or more, telecommunications had taken a back seat to growth, as ITT under then-chairman Harold Geenen grew into a conglomerate with extensive holdings in the insurance, hotel, food and forest businesses.

But the company's new chairman, Rand Araskog, is redirecting ITT to concentrate more on its original staple. Telecommunications—particularly since the court-ordered breakup of giant American Telephone & Telegraph—is again a highly competitive business, one that has important ramifications for the company.

ITT is joining those companies, including Northern Telecom and GTE Corp, that are attempting to market telecommunications equipment to Bell operating companies that have been spun off from their parent, and now have the freedom to buy their equipment from sources other than Western Electric.

At stake is the profitable U.S. market that ITT has for the most part ignored up to now. ITT is the second-largest telecommunications company after AT&T, but U.S. sales accounted for only a fraction of the company's 1982 $6.7 billion in worldwide telecommunications sales.

Now, however, ITT is going after the U.S. market with a new line of digital central office switching systems, in which it reportedly has invested more than $700 million. ITT executives have said they hope to capture 10% of the U.S. digital switching market, a share that could bring an estimated $500 million in annual sales. The System 1240, as the new line of equipment is called, is now in service or on order in more than 800 exchanges in 14 countries.

Last year, the Telecommunications and Electronics division had revenues of $6.4 billion, down 8% from the year before, while income was up 1% to $214 million.

The company spent $5.4 million in measured media on advertising for its long-distance service, and another $35,000 on its longer distance telephone service, a fast-growing market in the U.S., but one in which ITT now has less than 1% of the business.

Among ITT's consumer properties, Continental Baking Co. remained in the forefront of the food industry with its Wonder Bread and Hostess brand snacks.

The division last year went national with its Wonder Family Wheat and started testing Wonder Family Rye. Beefsteak Rye, the largest selling rye bread in the country, also was introduced in major Midwest markets in 1982.

In measured media last year, the company spent $9.5 million on Wonder Bread, $7.9 million on Hostess baked goods, $3.9 million on Home Pride bread, $1.5 million on Hostess donuts and $1.3 million on Hostess cakes.

Boston-based Sheraton Corp. expanded its network of hotels by opening or adding 37 hotels and inns, bringing its total to 447 in 52 countries. Sheraton spent $5.7 million on measured advertising for its hotels and inns located in the U.S., with most of that split between magazines and network tv.

The performance of the Insurance and Finance Group improved in 1982, despite the continuing downturn in the North American property and casualty market. Last year, net income for the group rose 2% to $374 million, while revenues increased 2% to $6 billion. The insurance companies, led by Hartford Insurance Group, reported an income on $278 million of revenues of $5.1 billion in 1982, compared to $291 million on revenues of $5.1 billion the year before. The Hartford spent $2.79 million on measured media advertising last year, $1.7 million of that to promote its business insurance policies.

In the retail lawn and garden products field, the Scott and Burpee operations spent a combined $6.3 million on measured media advertising, including $2.3 million on Scott lawn products, $1.4 million on Burpee seeds and bulbs and $1.5 million on Scott Plus 2 Weed Killer and Turf Builder.

The company continued to spend heavily on corporate advertising, $7 million last year, most of it—$4.8 million—on network tv.

Stuart Emmrich

ADVERTISING EXPENDITURES

	1982	1981
Newspapers.......	$3,038,100	$3,719,900
Magazines........	10,492,800	8,771,300
Spot tv...........	30,951,000	27,614,700
Network tv........	16,659,100	21,007,800
Spot radio........	2,447,800	84,800
Network radio.....	342,500	403,900
Outdoor..........	790,500	617,900
Total measured..	64,721,800	61,600,300
Unmeasured....	94,410,000	90,779,700
Estimated total..	159,131,000	152,460,000

CORPORATE MARKETING PERSONNEL

E.J. Gerrity Jr., senior vp-director, corp relations/adv
J.L. Lowden, vp-deputy director, corp relations/adv
J.P. Jannuzzo, director, adv/sales promo
T.J. Connolly, director, special events/activities
R.A. Cronenwett, mgr, consumer adv/sales promo services
H.J. Taggert, mgr, special projects, adv/sales promo
M.B. Clifford, mgr, sales promo services

Advertising Agencies

Needham, Harper & Steers, Issues & Images division, New York—corporate—Barry Biederman, president; Bruce Jackson, exec vp-genl mgr; John Mason, senior vp-acct super; Bob Sigmund, Miranda Lee, Dan Farris, acct execs.

Fritchman Associates, Ridgefield, Conn.—telephone directories—Bud Fritchman, mgmt super.

Deutsch, Shea & Evans, New York—corp recruitment adv—James Crawford, acct super.

ITT CONTINENTAL BAKING CO.
Rye, N.Y.

Corporate Marketing Personnel

John T. Whitmer, vp-director of media
Laurie Chatfield, director-media
Benilda Figueroa, media coordinator
Frank Sessa, mgr-graphics and design
Arthur J. Cunningham, director-mktg rsch

BREAD DIVISION

Marketing Personnel

Sue Herrick, vp-director, bread mktg
Jeff Krulwich, director of mktg-Home Pride and Beefsteak Rye
Dave Cooper, prod mgr-Home Pride
Arlene Gerwin, prod mgr-Wonder bread
Paula Luftglass, prod mgr-Beefsteak Rye

Advertising Agencies

Ted Bates Advertising/ New York—Wonder, Fresh Horizons, Home Pride breads—Larry Epting, exec vp-client services; Vic Bloede, Jr., vp-mgmt rep; Alan Kellam, acct super; Caroline Quigley, acct exec-Wonder bread; Chris Thornell, acct exec-Home Pride; Vickie Olsen, acct exec-bread promo.

Grey Advertising, New York—Braun Baking, Beefsteak Rye, Fresh & Natural bread—Robert Schoenfein, exec vp-mgmt rep; Warren Fischer, vp-mgmt super; Doris Ann Hutnick, vp-acct super; Rosalind Gould, asst acct super.

CAKE DIVISION

Marketing Personnel

Rudy Norris, vp-director of cake mktg
Robert A. Wilock, director, established cake mktg
Mark Dirkes, senior prod mgr-established prods
Patrick Fox, senior prod mgr-new prods
Susan Danehower, prod mgr-established prods

Advertising Agency

Ted Bates Advertising/ New York—Hostess cakes—Stephen A. McClosky, senior vp-mgmt rep; Alan Krinsky, vp-acct super; Michael Passet, vp-acct super, new prods; Lauren Becker, Tom Loftus, acct execs.

THE HARTFORD
Hartford, Ct.

Marketing Personnel

Roger Dove, senior vp-corp relations
Peter Egan, asst vp-director adv
Greg King, asst director adv

Advertising Agency

McCaffrey & McCall, New York—corp adv—Bruce Sherman, senior vp-acct super; Ralph Thomas, acct exec.

SHERATON CORP.

Marketing Personnel

Sig Front, senior vp-director of mktg
Robert Quinn, vp-director of adv
Adrienne Davis, asst director of adv

Advertising Agencies

Creamer Inc., New York—domestic adv—Stanley Levitz, exec vp-mgmt super; Steven Godsick, vp-acct super.

Compton Advertising, New York—intl adv—Dick Razor, senior vp; Phyllis Hauck, acct super.

O.M. SCOTT & SONS

Marketing Personnel

Bernard Ford, director-export and mktg services
Schrade Radtke, mktg mgr-basic North lawn chemicals
James Fetter, mktg mgr-seed and mechanicals
Ashton Ritchie, mktg mgr-ProTurf
Ken Brook, asst mktg mgr-West/South
Elaine Reece, mktg asst-Lawns
Robert Rinehart, mktg info systems
Marilyn Black, vp-direct mktg-W. Atlee Burpee Co.
Mark Bater, mktg mgr-Burpee garden products
Donna Rosenstock, mktg asst-Burpee seeds

Advertising Agencies

Doyle Dane Bernbach, New York—O.M. Scott lawn products—Arie Kopelman, exec vp-genl mgr; Rein Luik, group senior vp; Gordon Sleeper, vp-mgmt super; George Stanwick, acct exec-lawn products; Kim Horton, acct exec-garden products; Mary Haderlein, asst acct exec-lawn products.

Rapp & Collins, New York—Burpee garden prods—David Scholes, senior vp-mgmt super; Dominick Perone, acct exec.

ITT RAYONIER

Marketing Personnel

Jerome Gregoire, vp-director, corporate relations
Charles Singley, adv director

Advertising Agencies

Rumrill-Hoyt, New York—Rayonier corporate—Herb Warden, senior vp-mgmt super.

Soderberg & Associates, Seattle—PenPly plywood—Stan Sodorberg, mgmt super.

Shorey & Walters, Greenville, S.C.—treated wood prods—Greg Shorey, mgmt super.

International Business Machines Corp.

	1982	1981
Sales.........	$34,364,000,000	$29,070,000,000
Earnings.....	4,409,000,000	3,308,000,000
Advertising*..	74,972,200	40,700,000

*AA estimate

International Business Machines Corp., Armonk, N.Y., the 74th largest advertiser, increased total advertising expenditures 84% in 1982, to $74.9 million from $40.7 million in 1981.

Big advertising budget winners were IBM computer services, which spent $20.1 million compared with $7.7 million in 1981, followed by corporate general promotion with an outlay of $16.4 million, compared to $4.9 million in 1981. Total measured media spending was up 7% over 1981, to $64.4 million in 1982.

IBM worldwide gross income increased 18% to $34.4 billion in 1982, with U.S. operations up 26% to $19 billion, and foreign operations rising 10% to $15.3 billion. Domestic net earnings jumped 33.4% in 1982 to $2.77 billion and foreign net earnings climbed 7% to $1.6 billion.

That performance continues into 1983. For the first six months ended June 30, 1983, worldwide net income was $2.3 billion, up 24.3% over the same period in 1982. The company reported revenues of $9.3 billion, up 46.6% as revenues from rentals dropped 12.8% to $4.9 billion and those from services climbed 17% to $3.6 billion.

During 1982, 81% or $28 billion of IBM's revenues came from sales and rental of equipment. Product purchases increased dramatically to $17 billion in 1982, 30.3% over 1981. Purchase of previously rented equipment grew by 29%—showing a 50% U.S. increase and a 7% increase in foreign markets—and purchase of new products increased by 36%. In contrast, rental income increased only 2.6% to $11 billion.

Revenues from services increased 21% to $6.4 billion in 1982; maintenance increased 18% and program product revenue increased 45%.

In the hotly contested $7.5 billion personal computer industry, estimates show that IBM's market share is about 21%, up from 7% in 1981. IBM sold an estimated 200,000 personal computers in 1982, and it is predicted that this year it will sell more than 500,000 from 235 independent retail outlets, 370 Sears and Computerland stores and 89 IBM product centers in selected European countries, the Middle East and Asia.

Charlie Chaplin's Tramp continues to be the major element in creating a

Lady's Choice

American Cyanamid
National introduction: June, 1982
Agency: Dancer Fitzgerald Sample, New York

Lady's Choice

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new image for IBM. Since 1981, via the personal computer and the endearing Tramp, the stuffy giant has been transformed into a steadily growing household fixture. Industry insiders place total expenditures for IBM's long-running personal computer ad campaign orchestrated by Lord, Geller, Federico, Einstein, New York at $36 million, the largest to date for a personal computer.

Measured media spending for personal computer systems escalated to $5.3 million in 1982, from $591,300 in 1981. Some $4.9 million was in magazines.

Another record broken in the personal computer category was with the 624-page, June issue of *PC: The Independent Guide to IBM Personal Computers*—the largest monthly magazine in the history of consumer magazines. *PC* started in February, 1982, has a circulation of 130,000, sells for $2.95 and is published by Ziff-Davis Publishing.

The company introduced a new personal computer, the IBM XT, intended mainly for business use, early this year. The main feature is an extended data-storage capacity offering nine times the maximum 64,000-character storage of the original personal computer and optional memory units for the original personal computer and the XT. IBM also introduced a printer and a 16-color display terminal that can be used to illustrate charts and graphs.

IBM expanded personal computer programs to include programing for inventory control, general ledger, time management, home and leisure use. IBM also introduced on-site service for owners of its personal computer and reduced prices for courier service by 10% to 18%.

The $700 miniprice home computer, code-named "P-nut," is scheduled to reach the consumer market late in 1983.

The IBM Displaywriter system decreased advertising expenditures 38% to $2.1 million in 1982. A new version of the Distributed Office Support System (DISOSS) software was introduced allowing the Displaywriter, the scanning computer terminal and the IBM 5520 and data processing system to be connected to an IBM communications software system that is available on the IBM 8100 information system.

In the electric typewriter field, where it has an 80% market share, the company began limited marketing in late 1982 of its first "home" typewriter, the Personal Typewriter," which went on sale in Atlanta, Dallas, Houston and Chicago. Mechanically correcting, smaller and lighter in weight than office models, it has a suggested retail price of $695.

Also introduced were Electronic 85, with a 15,500-character storage capacity, and Electronic 65, with a storage capacity of 7,400 characters, which can be upgraded on-site to Electronic 85.

Measured media expenditures for electronic typewriters increased 21% to $821,500 in 1982, and spending for Selectric typewriters rose 31% to $1.5 million. The combined budget for electric and Selectric typewriters is $2.3 million for 3.6% of the total IBM media expenditures.

For the second consecutive year, advertising expenditures for paper copiers plummeted 62% to $736,300 in 1982 from $1.9 million in 1981. The company introduced the new Series III Copier/Duplicator Model 60. It copies up to 70 pages per minute, and users can add automatic feed and copy reduction. Printers and copiers contribute an estimated 25% to IBM revenues. In the middle-to-high power, mainframe computer market IBM continues to dominate the U.S. market with a 72% share, up from 62% in 1981.

The power and range of large systems were extended with the advent of the IBM 3084, now the company's most powerful processor, and with four new models in the large-scale, advanced-technology processor series.

IBM entered a new area with two industrial robotic systems. The 7565 manufacturing system can respond to environmental changes, can be integrated with automated manufacturing processes and features data processing. The system is suited for electronic component insertion, precision mechanical assembly, testing, light fabrication and material handling, and it can be equipped with a gripper that feels parts and tools in the work area.

IBM also entered the computer game field in 1982. According to an IBM spokesman, while the company is unwilling to declare a full-scale move into the videogame market, it is apparent that with two games in one year —Decathlon and Adventure, both manufactured by Microsoft and made for IBM's personal computer—more games will be on the way.

IBM's general systems division's measured media spending plummeted to $373,100 in 1982, from 1981's $1.7 million. The division also changed advertising agencies from Leber Katz Partners to Doyle Dane Bernbach, New York.

Among acquisitions, IBM paid $250 million in December, 1982, and in August, 1983, bought an additional 1.84 million shares for a 13.7% interest in technological giant Intel Corp., Santa Clara, Cal., a major supplier of vital computer parts. Analysts say this link gives IBM a crucial advantage in main frame computers and lessens its dependence on Japanese chip makers. Then in June, 1983, IBM paid $228 million for a 15% share of Rolm, also Santa Clara-based and a major producer of telecommunications equipment.

In 1982 court action, IBM was vindicated by a federal appeals court from Transamerica Corp.'s 1979 lawsuit claiming that IBM violated antitrust law by monopolizing and attempting to monopolize the market for computers and peripheral equipment. In further court action it won a ruling that prohibits three past employes and Bridge Technology, New York, from using any IBM trade secrets or proprietary or confidential business information.

A federal grand jury in California returned an indictment against Hitachi Ltd. in the well publicized IBM-FBI "Sting" operation. Still pending is IBM's civil damage suit against Hitachi.

In March, 1983, the company announced a new Corporate Management Board to replace IBM's Corporate Office and Corporate Management Committee. The new board, made up of senior corporate and operating unit executives, will have two permanent committees: the policy committee, with three members, establishes corporate goals, makes major technology, capital investment and financial decisions and is responsible for major policy issues; the business operations committee, with nine members, is responsible for business plans and for the review and approval of major product announcements and other day-to-day operations.

IBM's community involvement brought an announcement in August, 1982, that it would lend 300 computers and the programed exercises designed to teach children to read and write. Approximately 10,000 children in Washington, D.C., North Carolina, Minnesota and Florida are to participate in the program.

In October, IBM and Carnegie Mellon University in Pittsburgh signed an agreement to develop what will be the largest computer network in the world. When the "Integrated Computing Environment" goes on line in 1985, students will have instant access to some library holdings and distant data banks as vast as the U.S. Census Bureau.

Pat Gray Thomas

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$9,488,400	$4,407,300
Magazines	16,404,500	10,653,100
Spot tv	4,343,100	1,015,100
Network tv	29,700,200	15,440,700
Spot radio	2,775,200	1,573,600
Network radio	1,540,200	445,500
Outdoor	67,900	—
Total measured	64,368,500	33,535,300
Unmeasured	10,603,700	7,164,700
Total estimated	74,072,200	40,700,000

ADVERTISING PERSONNEL

Corporate

C.G. Francis, director-adv
J.F. King, director-adv programs
A.A. Emerson, director-adv operations
D.E. Frischmann, mgr-corp tv adv
W.H. Harrison, mgr-corp print adv

Advertising Agencies

Doyle Dane Bernbach, New York—corp tv, radio—Stephen Kutler, vp-mgmt super

Lord, Geller, Federico, Einstein, New York—corp print—Al Berger, vp-mgmt super.

INFORMATION SYSTEMS GROUP

P.F. Judice, director-adv
D.H. Butters, mgr-adv
J.D. D'Arezzo, mgr-adv

Advertising Agencies

Doyle Dane Bernbach, New York—Thom McCarthy, vp-mgmt super

Geer, DuBois, New York—John Allen, senior vp-group acct super.

NATIONAL MARKETING DIVISION

D.T. Coker, mgr-adv retail mktg
R.J. Rich, dir mktg comm mgr

Advertising Agency

Doyle Dane Bernbach, New York—Nancy Wiese, vp-acct super.

FEDERAL SYSTEMS DIVISION

M.J. Barnes, program mgr-adv and operations

Advertising Agency

Marsteller Inc., New York—Susan Means, acct super.

SYSTEMS SUPPLIES DIVISION

S.B. Saidman, mgr-adv and promo programs

Advertising Agency

Lord, Geller, Federico, Einstein, New York—personal computer—Jon Steinle, vp-acct super.

Johnson & Johnson

	1982	1981
Sales	$3,304,000,000	$3,025,900,000
Earnings	285,800,000	262,200,000
Advertising*	270,000,000	195,000,000

*AA estimate

Johnson & Johnson, New Brunswick, N.J., the 17th largest national advertiser, increased its U.S. advertising 38% to $270 million in 1982, a year in which many positive events at the company were overshadowed by the tragic Tylenol poisonings.

U.S. sales rose 9.2% to $3.30 billion in 1982, while earnings increased 9% before an extraordinary after-tax charge of $50 million, related to the withdrawal from the market of Tylenol capsules.

Worldwide, J&J advertising rose 14% to $307.7 million. Consolidated sales worldwide rose 6.7% to $5.76 billion, while after tax earnings before the extraordinary charge were $523.4 million, up 11.9%.

Consumer products continue to be J&J's largest business segment, representing 43% of sales and 42.4% of operating profit. U.S. sales account for 52.7% of total consumer sales. They are sold primarily through J&J Products and healthcare divisions, McNeil Consumer Products, J&J Baby Products Co., Ortho Pharmaceutical and Personal Products Co. In 1981, Tylenol alone contributed about $400 million to sales and $70 million to profits.

Professional sales contributing 33.5% represented the second-largest business segment. Pharmaceuticals contributed 19.4% and industrial sales 4.1%.

J&J is the U.S. market leader of analgesics, baby toiletries, sanitary napkins, contraceptives, adhesive bandages and other first-aid products.

The country was stunned last fall when seven people died after taking Tylenol capsules that had been filled with cyanide and replaced on retail shelves. From the day in September when the first victim died, J&J management spent a great deal of time formulating plans on bringing back the leading analgesic to the dominant position it had held.

The company immediately stopped advertising and withdrew all regular and Extra-Strength Tylenol capsules nationally, urging consumers to take tablets instead until it could introduce repackaged capsules.

For almost a month the company relied on the heavy publicity about the incident to inform the public of its actions and how to receive refunds for any Tylenol capsules. At the end of October, after a month off the air, the company ran a tv spot featuring the medical director of McNeil Consumer Products Co., the subsidiary that markets Tylenol. He discussed the trust the brand has established over the past 20 years. In January, a new campaign, "Tylenol. You can trust a good name," introduced the new tamper-resistant packaging.

By May, Tylenol had regained its dominant position in the analgesic category, once again holding more than 30% of the analgesic market, and NcNeil returned to ad themes used before the poisonings.

While the company expected the brand to regain its position, marketing experts both inside and outside J&J were surprised at the speed with which the brand bounced back. The withdrawal cost the company $100 million before taxes plus the loss of profit on lost Tylenol sales.

The Tylenol line is J&J's heaviest advertised brand. Last year $43.3 million was invested in measured media. This figure was up slightly from 1981 despite the dropping of all regular Tylenol advertising during the last quarter of 1982. Of the total, $19.5 million went into Tylenol Extra-Strength tablets and capsules, $12.3 million went into multiproduct Tylenol advertising, $6.7 million into the Tylenol children's line and $3.2 million in Tylenol sinus tablets and capsules launched nationally last fall.

Spending for other McNeil Consumer Products drugs included $8.6 million for the Co-Tylenol cold remedy line, which holds about 6% of the cough and cold remedy market, $4.3 million for Sine-Aid sinus remedy tablets and $1.6 million for Coldmax cold tablets, which moved into regional distribution last fall.

J&J also invests well over $40 million in advertising for its feminine hygiene products, which are sold under several different brand names. The company holds about 55% of the sanitary napkin market with its Stayfree, Sure & Natural, Modess and Carefree brands. Its o.b. tampon has about 12% of the tampon market.

Marketed by Personal Products Co., Stayfree received the heaviest ad support of $16.2 million in measured media, followed by Sure & Natural Maxishields, a superthin pad, $15.7 million, and Carefree pantyshields, $12.4 million. O.b. was supported by $3.5 million in 1982.

The division also markets Shower-to-Shower deodorant body powder, which received $1.3 million in measured media last year.

The leading marketer of baby toiletries sold primarily under the Johnson's name, the J&J Baby Products Co. spent close to $25 million in measured media to support baby and adult toiletries and toys last year. Heaviest dollars went into baby shampoo, supported by $7.9 million, followed by $5.8 million for baby powder; $5.2 million for baby oil; $2.6 million for cotton swabs; $1.8 million for baby lotion. Last fall, the company introduced a milder Johnson's baby bath and this year rolled out a reformulated Johnson's baby bar of synthetic cleaners to replace the 65-year-old Johnson's baby soap.

The subsidiary also increased its distribution of toys beyond direct mail into retail outlets and added several new toys in 1982. Ad spending for the line was about $1.4 million. Sundown sunscreen received $1.2 million in ad spending.

More than $20 million was invested last year in wound and oral care brands by J&J Products' healthcare and patient care divisions. Most of the ad dollars ($9.1 million) went into Band-Aid bandages, with another $5.9 million going into Reach toothbrushes. Band-Aid dominates the adhesive bandage market in the U.S., and Reach is neck-and-neck with Oral B to lead the $170 million toothbrush market.

Other items supported by the subsidiary were Johnson's dental floss ($2.3 million), Clinicydin, Clinicaine and Clinicort ointments ($2.1 million) and A.C.T. fluoride dental rinse ($1.1 million), rolled out late last year.

Ortho Pharmaceutical, whose nonprescription products include vaginal spermicides, pregnancy test kits and an athlete's foot remedy, invested $3.6 million in measured media. Of the total, $1.9 million went into supporting Daisy 2 home pregnancy test kit. Other brands receiving support included Delfen vaginal foam, Fact pregnancy test kit and Conceptrol contraceptive gel.

Earlier this year, less than six months after the Tylenol incident, J&J recalled Zomax, a prescription painkiller, after reports of severe allergic reactions. That recall cost the company about $40 million.

Nancy Giges

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$3,109,600	$4,694,600
Magazines	28,535,400	22,516,600
Farm publications	268,400	268,400
Spot tv	7,196,700	3,788,800
Network tv	121,845,300	97,132,300
Spot radio	953,700	3,321,300
Network radio	1,706,200	846,700
Total measured	163,615,300	132,568,700
Unmeasured	106,384,700	62,431,300
Estimated total	270,000,000	195,000,000

JOHNSON & JOHNSON

New Brunswick, N.J.

Marketing Personnel

G.F. (Pete) Tyrrell, vp-adv, corporate staff

JOHNSON & JOHNSON PRODUCTS

New Brunswick, N.J.

Marketing Personnel

Healthcare Division

P.M. Lonergan, vp-genl mgr
C.M. Selquist, natl sales mgr
L.B. Koslow, group prod director, oral care prods
J.M. Nugent, group prod director, new business devel
J.R. Gregg, director, mktg services
M.S. Fink, director, mktg rsch

Orthopaedic Division

J.P. Kearney, director-sales
J.T. Paulic, director-prod mgr
R.J. Kent, director, new business devel
J.A. Lent, vp-genl mgr

Patient Care Division

A.J. Vitarius, vp-genl mgr
H.R. Hamm Jr., director-prod mgmt
W.M. Mahar, director-sales
B.J. Gryctko, mktg service mgr
P.D. Tukey, mgr creative services
R.W. Bauer, group prod director, securement & specialty prods
P.R. Clough, group prod director, wound care prods

Specialty Products

W.E. Dorsett, vp-genl mgr
R.E. Scott, director-govt and athletic mktg
G.P. Kutsop, director-govt contract bid

Advertising Agencies

Young & Rubicam, New York—A.C.T. fluoride rinse, dental floss, new prods, Band-Aid adhesive bandages—Mike Feldman, mgmt super.

Cadwell Davis Partners, New York—Reach toothbrushes—Jeffrey Zeiler, Lois Underhill, senior vps-mgmt supers.

Kallir, Philips, Ross, New York—professional mktg programs—Lee Palmer, mgmt

KNOW THY COMPETITION

See page 117

LNA

super.

Simms & McIvor, Bridgewater, N.J.—orthopaedic div.

MED Communications, Hopelawn, N.J.—patient care div.

Simms & McIvor, Bridgewater, N.J.—patient care div.

Cummins, MacFail & Nutry, Somerset, N.J.—specialty prods—G. MacFail, president.

JOHNSON & JOHNSON BABY PRODUCTS CO.

Skillman, N.J.

Marketing Personnel

J.R. Utaski, president
W.C. Egan, director-prod mgmt-baby prods
C.A. Spalding, vp-adult toiletries
P.S. Boorujy, vp-genl mgr-child devel prods

Advertising Agencies

SSC&B, New York—baby shampoo, swabs, nursing pads, No More Tangles creme rinse, baby cornstarch—Alan Grazio, exec vp; Ian McGregor, Ned Parker, mgmt supers; Sam Harrison, Jody Goldblatt, acct supers; Steven Rosenblum, Anna Koules, Maureen Markey, acct execs. Adult toiletries—Hal Rover, vp-new prods; Ned Parker, vp-mgmt super; Jody Weithoff, acct super; Anna Koules, acct exec.

Young & Rubicam, New York—baby oil, cream, lotion, powder—John Glorieux, mgmt super; Alan Catling, Tim Fitzgerald, acct supers; Susan Vary, Joshua Moritz, Jane Suslevich, acct execs. Sundown sunscreen, other adult toiletries—Gene O'Sullivan, group director; John Glorieux, mgmt super; Mark Linder, acct super; Susan Vary, acct exec.

McCann-Erickson, New York—baby wash cloths, baby bar, baby bath—Michael Sennott, senior vp; Terry Fitzgerald, acct super; Judy Neidert, acct exec.

Wunderman, Ricotta & Kline—child development toys—Andrea Farr, vp-mgmt super; Margie French, acct super.

McNEIL CONSUMER PRODUCTS CO.

Fort Washington, Pa.

Marketing Personnel

W.G. Lynch Jr., natl sales mgr
C.D. Simonds, director-prod mgmt
J.J. Beshel, director-professional mktg
R.E. Whittaker, director-pediatric prod mgmt
J.T. Lenehan, group prod director
B.R. Bartlett, group prod director
J.R. McGann, sales promo director
S.J. Uglietta, group prod director
E.A. Behmer, director, communication
J.L. Strickler, mktg rsch director

Advertising Agencies

Compton Advertising, New York—Tylenol, Sine-Aid, Co-Tylenol—T. Lom, mgmt director; J. Sloan, mgmt super; L. Joselow, acct super.

Kallir, Philips, Ross, New York—professional promo—J. Racik, senior vp; E. McCarren, acct super; J. Grossman, acct exec.

Mendoza, Dillon & Asocides, Newport Beach, Cal.—Richard E. Dillon, president.

McNEIL PHARMACEUTICAL

Spring House, Pa.

Marketing Personnel

F.G. Ziegler, vp, prod mgmt
T.H. Odiorne, vp, sales
H.R. Rutter, exec director, prod mgmt
E.R. Steel, exec director, mktg communications

Advertising Agencies

Kallir, Philips, Ross, New York—Tylenol with codeine—Michael Sperling, acct exec.

Sudler & Hennessey, New York—Zomax—R.J. Brancaccio, senior vp.

Botto, Roessner, Horne & Messinger, Inc., New York—R.J. Botto, president.

PERSONAL PRODUCTS

Milltown, N.J.

Marketing Personnel

M.R. Hayes, president
J.B. Ziegler, vp-mktg
E.F. Chase, director-prod mgmt
D.P. Fraser, director-mkt rsch
T.K. McCarter, P.S. Michaels, A.G. Nuzzo, B.D. Snyder, group prod directors

Advertising Agencies

Young & Rubicam, New York—Stayfree maxipads and minipads, Shower To Shower body powder—Gene O'Sullivan, mgmt super.

SSC&B, New York—Carefree panty shields—George C. Bauerschmidt, mgmt super.

Cadwell Davis Partners, New York—Sure & Natural maxishields, o.b. tampons—L. Underhill, mgmt super.

Compton Advertising, New York—Take Off makeup remover cloths—D. Basch, mgmt super.

JOHNSON & JOHNSON DENTAL PRODUCTS CO.

East Windsor, N.J.

Marketing Personnel

H.S. Lager, group vp
J.B. Godshall, vp-mktg
M.E. Stein, vp-worldwide business devel

Advertising Agency

Mel Richman Inc., Bala-Cynwyd, Pa.—George Fore, acct super.

ORTHO PHARMACEUTICAL CORP.

Raritan, N.J.

Pharmaceutical

Marketing Personnel

P.T. Tattle, group vp

Advertising Agency

Kallir, Philips, Ross, New York—L. Palmer, vp-acct super.

Advanced Care Products Division

Marketing Personnel

R.B. Miller, president
D.B. Bellaire, vp-mktg
J.L. Abramson, director-mktg info and strategic planning

Advertising Agencies

McCann-Erickson, New York—H.L. O'Brien, senior vp-mgmt rep.

Barnum Communications, New York—R. Bond, senior vp-mktg.

Dermatological Division

Marketing Personnel

P.T. Tattle, group vp

Advertising Agency

Kallir, Philips, Ross, New York—L. Palmer, vp-acct super.

ORTHO DIAGNOSTIC SYSTEMS

Raritan, N.J.

Marketing Personnel

F.A. Barnette, vp-mktg

Advertising Agency

Kallir, Philips, Ross, New York—Raymond Wilhelm, acct super.

CHICOPEE

New Brunswick, N.J.

Marketing Personnel

R.L. Bramson, vp-mktg, indus div
J.S. Neely, vp-mktg, branded and consumer prods div
R.I. Munoz, vp-mktg, affiliate div and private label prods div

Advertising Agencies

ST&L Associates, New Brunswick, N.J.—Howard Rich, acct exec.

SSC&B, New York.

CODMAN & SHURTLEFF

Randolph, Mass.

Marketing Personnel

R.F. Caffrey, vp-mktg

Advertising Agency

Grover & Carroll, Boston—C. Stuart Grover, acct exec.

ETHICON

Bridgewater, N.J.

Marketing Personnel

L.J. Armour, vp-sales
R.N. Jones, vp-mktg services
R.M. McCaffrey, vp-mech prods
F.J. Ryan, vp-prod mgmt, sutures
W.E. Tidmore Jr., director-adv/creative services

Advertising Agency

Mel Richman Inc., Philadelphia—W.F. Robertson, acct super.

CRITIKON INC.

Tampa, Fla.

Marketing Personnel

Thomas E. Taylor, president
Thomas M. Gorrie, vp-mktg
Philip T. Flach, vp-sales
David W. Heffner, vp-prod mgmt

Advertising Agency

Lewis, Gilman & Kynett Inc., Philadelphia—K.A. Marden, vp; D. Schipper, acct exec.

PITMAN-MOORE

Washington Crossing, N.J.

Marketing Personnel

G.A. Oram, mktg director
D.R. Arnold, mgr, surgical & specialty prods
R.W. Eshenour, mgr, pharmaceutical prods
F.M. Gvillo, mgr, biological prods
M.C. Rodenbaugh, mgr, diagnostic prods
L. Sleighter, mgr, otc prods

Advertising Agency

Brady Co., Milwaukee.

SURGIKOS INC.

Arlington, Tex.

Marketing Personnel

E. Tanner, president
J.D. Terry, vp-mktg
E.E. Barnes, vp-sales
M. Smoler, vp-prod mgmt
J.W. Midgley, director, mktg rsch & new ventures

Advertising Agency

Ruvane-Leverte, New York—Walter Landers, acct super; Jacquelyn Beatty, acct exec.

S.C. Johnson & Son

	1982	1981
Sales........	$2,000,000,000	$2,000,000,000
Earnings......	NA	NA
Advertising**..	74,616,300	66,560,000

*AA estimate

S.C. Johnson & Son, Racine, Wis., the 75th largest national advertiser, increased advertising expenditures approximately 12% to $74.6 million in 1982 over 1981.

S.C. Johnson is privately held and does not reveal sales and earnings. Domestic sales, generally figured at 40% of worldwide sales, are estimated to have increased approximately 10% in 1982, to $880 million, while worldwide sales for 1982 are estimated as flat due to foreign currency translation adjustments.

Originally a marketer of wood flooring, the 117-year-old company built its reputation on floor and furniture care products and subsequently branched into insecticides, automotive and laundry products, air fresheners and other household products, and into personal care products in 1977.

Johnson spent the largest single share of its media spending in 1982—$9.6 million—on Soft Sense skin lotion. Launched in 1981 with a budget of $2.4 million. Soft Sense claims a 6.6% case share of the fast-growing hand lotion market, down from a peak of 11% in 1982.

In January, 1983, Agree shampoo and conditioner were reformulated and given new advertising and new packaging in translucent bottles. The new promotional packaging was directed at the 12-to-24 age group rather than the previous 14-to-34 target. Media expenditures in 1982 on the combined product, Agree shampoo and creme rinse conditioner, increased 73% to $1.9 million.

Market share for Agree conditioner, one of its more successful new product launches, dropped from an original one-time high of 18% to a mid-1982 share of 5%, and in mid-1983 has experienced a slight increase to a 5.8% share. Agree shampoo now holds a disappointing 2.7% case market share after a 3.5% share in May, 1982. Reflecting Johnson's determination to cut losses by reducing support on less successful brands, media spending for Agree shampoo dropped 56% to $2 million.

The three-year-old Enhance haircare treatment, an admittedly disappointing brand, was repositioned in July, 1982, when consumers were urged to "synchronize with Enhance" and advised that, "It's not just *how* a shampoo and conditioner works. It's *when*." Media spending for the combined product was up 12% to $1.5 million, but expenditures for the conditioner dropped 30% to $2.3 million. Current case market share for the conditioner is 3.5%, a slight gain over the mid-1982 share of 3%. Although the two-year-old shampoo clings to a 1.2% share of market, media spending increased 48% to $2.3 million.

The combined case market share for both conditioners decreased to a current 5.6% from 7.8% for the same period in mid-1982. The combined case share for Johnson's shampoos is down to 2.7% from 3.5% in the same mid-1982 period.

Achieve conditioning shampoo, test marketed in Tucson and Lexington, was withdrawn in May, 1982.

Edge shaving gel, continuing to hold a strong position in the men's shaving preparation category, was augmented in late 1982 by Johnson's introduction of Edge shaving gel with conditioner. While media spending for Edge gel dropped 95% to $93,000 in 1982, the $2.1 million expenditure for the shaving gel places it among the nine Johnson products with advertising budgets over $2 million. Edge jumped from a 1982 third quarter market share of 13% to a 1983 first quarter share of 22.8%. The mid-1983 dollar-based market share is down slightly to 20.2%.

In mid-1982, the National Advertising division of the Council of Better Business Bureaus (NAD) asked for substantiation of the Edge shaving gel claim that "Nothing shaves closer." Johnson proved that the signal intensity meter is commonly used to measure sound intensity and provided data to support the claim that "Edge tests show most men agree."

In floorcare, Johnson launched Clean 'N Clear in January, 1983. Slated for a $7 million introduction by Foote, Cone & Belding on tv in January and magazines in February, the new product has cleaning capabilities for no-wax floors rather than the cleaning and polishing benefits of other Johnson products. In mid-January, the account went to J. Walter Thompson USA, Chicago. The present dollar-based market share stands at 2.5%.

Media spending for all other floorcare products decreased: Brite dropped 52% to $1.7 million, Future was down 32% to $2.2 million and Step Saver fell 39% to $1.2 million.

Brite, after a complete restaging in 1982, increased its case market share to 15% in 1983, up from 8.5%; Step Saver has a 10.4% share of market and Future continues to hold a 20.5% share.

While Johnson holds a 53.5% case share of market in floorcare, up from 48.2% in 1982, Klear and Glo Coat continue to decline with a combined case share of 8%.

In furniture care, Johnson has a 54% combined case market share, up from 52% in 1982. Pledge, with a 29% increase in media spending—up to $5.7 million, holds its market share at 40.4%, up from 39% in 1982; Favor, with renewed measured media spending of $1.2 million, has a 7.1% share, up from 4.6% in 1982, and Complete all-purpose polishing cleaner, for the second consecutive year lost market share—down to 2.5% from 4%—and spending was reduced to $37,100 from $446,500.

Shout laundry soil and stain remover spray was dropped from the market and Shout liquid media spending was down 7% to $2.7 million. While Texize continues to dominate the market, Shout has increased its case share to 30.3% from 23% in 1982.

Off! insect repellent shows a slight case share increase in 1983, up to 79.6% from 78%. Johnson more than doubled its media budget in this category, going from $828,000 to $2 million. Two new forms of Deep Woods Off! were introduced: Maximum strength and pump-dispensed.

Increased spending for Raid products continued for the second year—up 27% to $11 million—accounting for the largest block of expeditures in Johnson's media budget. The vegetable fogger budget escalated from $154,000 to $2.2 million; house and garden bug killer was up to $1.2 million from $23,000; indoor fogger climbed 17% to $1.4 million, and insecticides jumped 63% to $1.7 million. Johnson holds a 48% case share of the insecticide market.

In September, 1982, Johnson substantiated advertising claims regarding Raid that stated ". . . if I use it every few weeks, . . . it keeps on killing for months . . . that means if I use it every month, it could kill forever." At the same time, Johnson discontinued other print ads with similar longevity claims that they deemed were possibly misleading.

In the aerosol air freshener market, Johnson dominates the category, with Glade holding a 50% case share up from 43.4% in 1982.

Glade Spinfresh, a toilet tissue holder that emits a fragrance—available in powder fresh, citrus, extra fresh and early spring scents—rolled out nationally in late spring.

Media spending for the Glade line increased on all products in 1982. Strips, tested last year in Tucson and Toledo, and budgeted at $17 million were pulled from test marketing in 1983. Glade Solid was up to $11,000 from $2,700 in 1982 and is no longer supported in 1983. Glade Spray jumped to $1.5 million from $59,900.

For most other products, in reflection of declining markets, Johnson reduced spending. The J/Wax car care line decreased 57% to $424,000; Befresh! toilet bowl freshener, after a 60% budget reduction in 1981, was removed in 1982, and Johnson fishing equipment expenditures dropped 74% to $115,000.

Johnson Creative Arts division, founded in 1981, increased spending on the Elsa Williams Needleart Collection 164% to $55,800.

Johnson continues its exploratory investigation of over-the-counter drugs. In mid-1982, Richard M. Carpenter, then executive vp-U.S. Consumer Products, said test marketing of an otc product was more than a year away.

In mid-1983, James F. Keane, formerly vp-International Consumer Products marketing and planning, was named vp-general manager of Johnson's otc drug business, and president-general manager at Rondelle Laboratories, a newly formed subsidiary that will pursue the otc business. Rodger L. DeRose, who had been manager-new business, U.S. Consumer Products, was named marketing manager-otc drug products at Rondell Laboratories.

Johnson's Worldwide Innochem Operations consist of a commercial products group that includes floorcare, cleaning and disinfecting, air care, carpet and furniture care and pesticides; and a specialty chemicals group that is

Kodak Disc Camera

Eastman Kodak
National introduction: May, 1982
Introductory budget: $35.3 million
Agency: J. Walter Thompson USA, New York

KODAK INTRODUCES disc PHOTOGRAPHY.
A WHOLE NEW WAY TO MAKE PICTURES
disc

Source: Leading National Advertisers, January-December, 1982

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made up of metal-working, special coatings, polymers and specialized chemicals for the graphic arts industry. Mr. Carpenter, moved to executive vp at Innochem, exchanged positions with S.A. Preston, who is now executive vp-U.S. Consumer Products.

In early 1983, Johnson and Needham, Harper & Steers/USA, Chicago, ended a relationship spanning more than a half century, and representing approximately $20 million in billings. The dispute erupted over a Johnson policy prohibiting its agencies from handling other clients with brands competing with any brands in a Johnson division. Specifically, Johnson was provoked by the Clorox account, acquired by Needham in late 1982,which includes Pre-Wash—the close competitor of Shout. Although NH&S did not have Shout, it did have Glade, and both brands are in Johnson's household products division. Needham only needed to resign the Glade account, but found what they termed a "recently enunciated" policy too restrictive. Johnson said the guidelines had been in effect for some time.

In March, 1983, the NH&S billings for Agree and Enhance haircare, and Glade air fresheners went to J. Walter Thompson USA, Chicago. Soft Sense skin lotion went to Foote, Cone & Belding, Chicago.

Pat Gray Thomas

ADVERTISING EXPENDITURES

	1982	1981
Newspapers.......	$1,577,000	$1,179,000
Magazines........	9,458,400	12,313,500
Spot tv...........	8,890,100	6,404,500
Network tv........	34,266,500	31,476,600
Spot radio........	395,500	1,600
Network radio.....	478,800	189,200
Total measured..	55,066,300	51,560,000
Unmeasured....	19,550,000	15,000,000
Estimated total..	74,616,300	66,560,000

U.S. CONSUMER PRODUCTS

Marketing Personnel

S.A. Preston, exec vp-U.S. consumer prods
L.R. Newman, vp-U.S. consumer businesses
D.C. Henry, vp-U.S. consumer prod sales
B.P. Harris, genl mgr-personal care
R.E. Posey, genl mgr-insect control
J.D. Culea, group prod mgr-home care/floor and laundry
B.M. Pritchard, group prod mgr-home care/furniture and air
R.F. Chay, director-mktg rsch
A.B. Priemer, director-mktg services
P.J. Grieger, pr mgr
W.C. George, natl field sales mgr
J.N. Wallace, director-sales promo and devel
H.E.M. Murphy, new prod devel mgr-insect control
R.D. Perry, new prod devel mgr-personal care
Category mgrs: J.F. Bleharski, M.L. McKie, J.O. Scherer, K.H. Smith, R.L. Ziegenhagen
Product mgrs: H.B. Beighley, D.J. Brandt, F.C. Chud, C.L. Colman, S.A. Danuser, D.N. Fine, B.R. Groat, J.M. Hutterly, W.L. McClave, D.J. Meyers, P.E. Peterson, W.E. Roehrick, L.H. Seabolt, R.L. Sligh, W.L. Stewart, C.R. Townsend

Advertising Agencies

Foote, Cone & Belding, Chicago—Raid, Off!, Future, Brite, Shout, Soft Sense—D. Fox, vp-mgmt super.

J. Walter Thompson USA, Chicago—Clean 'N Clear, Step Saver, Favor, Pledge, Complete, Glade, Spinfresh, Edge, Agree, Enhance—J. Furr, vp-mgmt super.

WORLDWIDE INNOCHEM OPERATIONS

R.M. Carpenter, exec vp
J.C. Moll, vp-managing director, commercial prod, U.S.A.
G.L. Konarske, director-mktg, commercial prod group
D.A. Scott, natl sales mgr-field operations, commercial prod group
W.J. Freund, director-global specialty chemicals
W.R. Glaub, director commercial devel, specialty chemicals group
D.E. Schendel, natl sales mgr-specialty chemicals group

JOHNSON WAX ASSOCIATES

W.D. George, exec vp
W.O. Herbst, mgr special markets
A.S. Getz, president-genl mgr, Johnson Creative Arts
F.J. Herre, president-genl mgr, Worldwide Under Sea Industries
P.N. Herrmann, president-special business group
W.R. Tenney, president-genl mgr, Johnson Fishing
D.D. Drab, president-Porelon Inc.
J.R. Reyen, president-genl mgr, Johnson Camping

INTERNATIONAL CONSUMER PRODUCTS

Marketing Personnel

L.R. Peterson, exec vp
J.D. Crabb, vp-regional director, consumer prod, Europe
T.S. Malone, vp-regional director, consumer prod, Pacific/Far East
M.B. Miller, vp-regional director, consumer prod, Africa/Near East
W.D. Perez, regional director, consumer prod, Americas

K mart Corp.

	1982	1981
Sales........	$16,772,200,000	$16,527,000,000
Earnings.....	261,800,000	220,251,000
Advertising*..	366,136,900	340,787,300

*AA estimate

K mart Corp., Troy, Mich., the nation's eighth largest advertiser, spent $366.1 million on advertising, a 7.4% increase from the previous year.

K mart in the process recorded its most profitable year since 1979 with $261.8 million in earnings, up 18.9%, and $16.77 billion in sales, up 1.5%, although K mart's sales performance and its ad spending fell short of estimates made last year by chairman, Bernard Fauber. Mr. Fauber predicted sales of $18 billion and ad spending of $400 million for 1982 with an eye on reaching Sears, Roebuck & Co., the nation's top retailer.

First half earnings for fiscal 1983 jumped 144% and may put K mart on target to achieve those predictions this year. K mart reported sales of $8.61 billion in the first six months of 1983, an increase of 11% from the same period in 1982. Net income of $162.3 million compared with the previous year's $66.5 million.

The category that had the most dramatic increase in ad spending last year was network tv, which increased from $12.7 million in 1981 to $37 million in 1982, due to K mart's increased tv promotion of its 20th anniversary.

K mart has dropped its frenetic pace of 200 store openings a year to 70 new stores to concentrate more on new retail concepts, particularly its new off-price brand apparel stores, called the Designer Depot. It is placing more national brand apparel in its stores and developing a new corporate image through an ad campaign assigned to Campbell-Ewald, Warren, Mich., in February, 1983.

K mart put the Designer Depot into test last December in an old converted Kresge store in St. Clair Shores, Mich. It has five of these stores currently open in the Detroit area and plans to add 30 more elsewhere in 1983. (In May, K mart announced plans to open a Designer Depot in the Chicago market, where it has more than 60 regular stores.) By the end of 1984, it expects to have 90 in operation.

Designer Depots carry top-quality name brand and designer label merchandise at prices 20% to 70% off suggested retail. Susan McKelvey, public relations director for K mart, says shoppers at Designer Depot are more likely to be young career women who might not ordinarily shop at regular K marts. Thus, Ms. McKelvey says the retailer does not view the stores as competition for its regular discount K mart stores.

Without detracting from the commitment to this new project, chairman of the executive finance committee Robert E. Dewer says K mart is also adding more off-price lines in its regular stores. These lines are grouped in a new department called "Names for Less," appearing in certain K mart stores that are located in areas with high demographics. Mr. Dewer said, "In the long run, the addition of more national brand apparel into K mart itself is more important [than the Designer Depot]."

Added Mr. Fauber, "You could well see us advertising fewer of the so-called consumer-type items and go into a stronger style/fashion presentation that we have in the past."

Designer Depots are being advertised via run-of-press ads and four-color direct-mail brochures to the communities. For grand openings of the stores, K mart is using local radio stations. K mart announced its assignment of $10 million worth of national tv business to Campbell-Ewald in February. The agency is responsible for a corporate campaign designed to enhance the retailer's image as, among other things, "The brand name savings store," a new theme that appeared in C-E's first flight of national tv spots this spring. The old theme, "K mart is your saving place," continues to appear on print inserts prepared in-house, while longtime agency for K mart, Ross Roy Inc., is using a similar theme in radio spots. C-E is also handling retail promotions for K mart on an assignment-by-assignment basis.

Plans for Abra K Dabra, a pizza entertainment restaurant put into test markets last summer, have been put on hold because, Mr. Fauber said, "It has not performed as well as we believed it should." In a related development, Ross Roy had resigned four McDonald's regional co-op accounts which were reported worth an estimated $7 million to $8 million because of a possible conflict of interest with the Abra K Dabra restaurants.

K mart will focus more on its chain of Furr's cafeterias, planning to open 28 more mostly in the Southwest and California. Also in 1982 the retailer continued its commitment to hardware and home improvement products. It added more brand-name products and established home centers, Kitchen Korners and expanded home electronics departments in which it emphasizes personalized customer service. A prototype "HomeCare Center" in Rochester, Mich., is a precursor to 10 more units in the Detroit area and is being advertised via circulars in the Detroit papers and direct mail.

K mart has no plans to continue last year's advertising campaign for its exclusive line of Jonathan Logan sportswear and has retired agency Chalk Nissen Hanft, which handled the account. Ross Roy also has established a Toronto office to serve K mart Canada, spending for which is estimated to be $8 million to $10 million.

Karen Brodsky

ADVERTISING EXPENDITURES*

	1982	1981
Magazines........	$8,933,400	$8,250,800
Spot tv...........	8,176,100	22,781,500
Network tv........	32,469,800	11,800,100
Spot radio........	5,638,200	7,884,400
Network radio.....	760,500	2,635,600
Outdoor..........	158,900	144,900
Total measured..	56,136,900	53,497,300
Unmeasured....	310,000,000	287,290,000
Estimated total..	366,136,900	340,787,300

*From AA's usual sources

ADVERTISING EXPENDITURES†

	1982	1981
Magazines........	$8,000,000	$7,283,000
Spot tv...........	3,000,000	27,300,000
Network tv........	37,000,000	12,736,000
Spot radio........	6,000,000	8,228,000
Network radio.....	250,000	6,702,000
Outdoor..........	50,000	72,000
Total measured..	55,300,000	62,321,000
Unmeasured*...	310,000,000	287,290,000
Estimated total..	365,300,000	349,611,000

†Figures provided by the company

Marketing Personnel

J.L. Moser, director-adv and sales promo
R.M. Mazade, director-creative adv
Ronald R. Dejaeghere, vp-mktg
Edward J. Kreitz, director-mktg

Advertising Agencies

Ross Roy Inc., Detroit—Jack Frakes, director-creative adv; Peter Vetowich, senior vp-retail operations; Hal E. Rumble, senior vp-mktg; Byron Shaffer, senior vp-group acct super; Roger Sherman, vp-acct super; Gerald Moody, senior vp-mktg services; Alfred A. Duz, vp-group media director; Patricia Cuda, vp-group media director, broadcast.

Campbell-Ewald Co., Warren, Mich.—John Wattles, acct exec; Mike Rogers, acct super; Ken Konecnic, creative director; Ken Hank, art director; Angie Burger, copy super.

Kellogg Co.

	1982	1981
Sales........	$2,370,000,000	2,321,300,000
Earnings.....	228,000,000	205,400,000
Advertising*..	154,167,300	131,411,300

*AA estimate

Kellogg Co., Battle Creek, Mich., increased its advertising expenditures 17.3% to $154.2 million, ranking it as the 43rd largest national advertiser in 1982.

In measured media advertising, spending increased by about 7%, from $97.1 million in 1981 to $104.2 million in 1982.

A long history of successful performance continued in 1982 for Kellogg, which has managed a record 38 consecutive years of higher sales, 31 years of higher earnings and 26 of higher dividends. Net sales in fiscal 1982, ended Dec. 31, were up 2% to $2.37 billion and net earnings up 11% to $228 million.

Despite this growth record, at least one Kellogg exec has described the $3 billion ready-to-eat cereal market as mature.

In this decade, annual net sales increases have continued, but at a decelerating pace. Sales increases have declined from a gain of 16% in 1980 to 8% in 1981 to the 2% of 1982.

According to the company, the decline stems from increasing sales of generic and private brands, with four out of five top generic cereals in direct competition with Kellogg products. The company's cereal market share dropped from 41% in 1979 to about 38% in fiscal 1982.

Products kicked hardest by competition from the generics and private label brands (Ralston Purina Co. reportedly produces about 90% of these) were Kellogg's corn flakes, Rice Krispies, Sugar Frosted Flakes and Raisin Bran.

In order to compete with the generics, Kellogg controlled its product prices in 1982 and continued efforts to anticipate and meet consumer needs by introducing and modifying products. In 1982 the company cut the price of the industry's biggest-selling cereal, Kellogg's Corn Flakes, by 8% and held its other cereals at 1981 prices.

In agency activity, the company moved its Most and bran cereals this summer to J. Walter Thompson USA, Chicago, leaving longstanding agency Leo Burnett USA, Chicago, with only three adult cereal assignments: Special K, Product 19 and Raisins, Rice & Rye.

Kellogg, however, says it has no plans to make a distinction between an agency that handles adult vs. children's advertising.

In 1982, Kellogg also entered four test markets with Kellogg's low sodium corn flakes and Low Sodium Rice Krispies, and cut sodium chloride salt from its Most wheat-shread biscuits, replacing it with potassium chloride.

Also in 1982, Kellogg prepared for its early-1983 rollout of Crispix, a corn/rice crispy synergy in bite-size biscuits, and introduced Marshmallow Krispies, backed by $3.7 million in advertising.

This summer, the company introduced Strawberry Krispies. It also introduced Apple-Frosted Mini-Wheats and reworked the recipe of high-protein Special K to produce better taste and larger flakes. Ad spending for Special K in 1982 was $2.9 million. Product 19 was also reformulated and reintroduced this summer.

The Nutri-Grain line, backed with $8.5 million in advertising in 1982, was also reformulated.

The cereal giant did not limit new product introductions to cereals. Mrs. Smith's Frozen Foods Co., a Pottstown, Pa.-based subsidiary, introduced its Mrs. Smith's frozen quiches, crepes, Italian entrees and Mrs. Smith's Natural Juice Cherry Streusel Pie.

In addition, through its fresh food Dessert Services Group, Mrs. Smith's in 1982 brought out Mrs. Smith's Bagels, a shelf-stable item now available in the 10-state Dessert Services market area.

Another major product debut in 1982 was Whitney's yogurt, termed by Kellogg "the first premium spoonable yogurt in the United States," with chunky fruit in real juice and a price higher than its competitors. Whitney's was test marketed in Baltimore and Washington, then went into New York early in 1983 and is marketed as a companion product to Le Shake drinkable yogurt, now distributed in the Northeast. Both are produced by Kellogg's subsidiary Whitney's Foods, Battle Creek.

Kellogg's commercial foodservice industry is Fearn International, a subsidiary that produces soups, soup bases, gravies, sauces, entrees, juices and other foods under the Eggo and Le Gout labels. New for 1982-83 are low-sodium Le Gout soups, several traditional American and ethnic soups and entrees, a line of canned juice base and a line of vitamin C-enriched powdered slush mixes.

The company also introduced Eggo plain and buttermilk frozen pancake batter in 12 markets in 1983, a segment tried and abandoned by several other marketers. The main competitor in this arena is Quaker Oats' Aunt Jemima frozen pancake batter, in plain, blueberry and buttermilk.

To push harder on development of its Salada property, Kellogg in 1982 moved Salada Foods from the U.S. food products division to subsidiary status with Kellogg Co. A new line of drink mixes under the Make It Easy label is now added to this subsidiary's Salada teas, Junket rennet custards, and Easy As Pie desserts. Total Salada 1982 ad budget was $352,100, all for spot tv.

Altogether, Kellogg spent nearly $9.2 million during 1982 to advertise its noncereal products.

Operating in 19 nations around the world, Kellogg International has strong markets in Canada, the U.K. and Australia; is well underway with market development elsewhere in Europe and Latin America, and is moving into new markets in Spain and South Korea.

Kellogg Salada Canada, the oldest of the international units, introduced in 1982 a new cold remedy, Neo Citran DM, a lemon-flavored medicated drink with added cough reliever. Other international newcomers included Just Right muesli-style cereal, All-Bran with raisins and dates and a line of frozen, single-serve dinners, all in Australia.

This year, the company also formed a corporate licensing department to coordinate licensing of its famous trademarks, including Snap, Crackle, Pop and Toucan Sam, spokesbird for Fruit Loops.

The company has also invested $10 million in Agrigenetics Corp., a Denver seed company with a heavy background in plant genetics research.

Kenneth Wylie

ADVERTISING EXPENDITURES

	1982	1981
Newspapers.......	$2,695,500	$3,815,500
Magazines........	9,359,300	5,097,500
Spot tv...........	30,054,300	17,276,700
Network tv........	61,010,200	67,260,000
Spot radio........	794,000	2,057,400
Network radio.....	—	1,460,500
Outdoor..........	254,000	143,700
Total measured..	104,167,300	97,111,300
Unmeasured....	50,000,000	34,300,000
Estimated total..	154,167,300	131,411,300

KELLOGG U.S. FOOD PRODUCTS DIVISION

Marketing Personnel

G.D. Robinson, president
R.C. Fox, exec vp-sales
M.D. Simpson, vp-mktg
W.H. Weintraub, category mgr, ready-to-eat cereals
K.C. Smith, mktg services mgr

Advertising Agencies

Leo Burnett USA, Chicago—cereals, Le Shake yogurt—W.T. Lynch, exec vp-client service; J.M. Jeness, vp-acct director; J.W. Drobnyk, vp-acct super; M. Whitman, vp-acct super; D. Cummings, acct super; T.C. Roth, acct super; E. Hill-Chardell, S. Kruger, G. Singer, D. Baker, G. Kash, D. Fletcher, B. Key, T. Pretzsch, acct execs.

J. Walter Thompson USA, Chicago—Most Nutri-Grain Crispix and bran cereals—Jack Tukey, senior vp-group acct director; Dean Proctor, vp-acct director; G. Lange, S. Schiave, acct supers; P. Verlinden, E. Bortz, acct reps.

Vince Cullers Advertising, Chicago—Vince Cullers, president.

U.S. SUBSIDIARIES

Marketing Personnel

A.G. Langbo, group exec vp, Kellogg Co.

MRS. SMITH'S FROZEN FOODS CO.

Pottstown, Pa.

Marketing Personnel

A.G. Langbo, president-ceo

100

A.J. Simpson, exec vp-chief operating officer
Michael L. Wolfe, senior vp-mktg and sales
Jack MacDonald, natl sales mgr

FEARN INTERNATIONAL
Franklin Park, Ill.
Marketing Personnel

D.E. Thompson, president
E.K. Jorgenson, senior vp-sales and mktg

Advertising Agency

Davis, Munder & Ostir—Percy Munder, president.

SALADA FOODS
Marketing Personnel

R. J Lievense, president
E.F. Kline, senior vp-mktg and sales

Advertising Agencies

Leo Burnett USA, Chicago—Mrs. Smith's, Eggo, Pure Packed Foods, Salada—Donald B. Cummings, Cynthia Kinnard, acct supers; Mike Arnold, acct exec.

Kimberly-Clark Corp.

	1982	1981
Sales........	$3,000,000,000	$2,900,000,000
Earnings.....	197,400,000	205,000,000
Advertising*..	69,303,900	62,440,000

*AA estimate

Kimberly-Clark Corp., Neenah, Wis., the 83rd largest advertiser in the U.S., spent $69.3 million in advertising, an increase of 11% over 1981 expenditures.

Sales increased 3% to $3 billion in 1982. Net income, however, decreased 4% to $197.4 million from $205 million a year earlier.

The company cited two major reasons for the decline in net income—the weakness in demand for and pricing of newsprint throughout North America and the depressed earnings contribution from K-C de Mexico, S.A. de C.V. Earnings from the Mexican unit declined to $13 million from $36 million in 1981. The December, 1982, devaluation of the peso and the weakness of the Mexican economy resulted in a $9 million loss on K-C's 43% ownership vs. $11 million in earnings in the fourth quarter of 1981.

K-C products are divided into three main groups: Consumer and service, newsprint, pulp and forest products and paper specialties.

Consumer and service is the biggest group, accounting for 68% of the company's sales in 1982, up from 65% in 1981. The consumer and service group realized volume gains for most of its products, which include facial tissue, bathroom tissue, feminine pads and tampons, disposable diapers and paper towels sold worldwide under a variety of brand names. Operating profit rose 11% to a record $169 million, which offset declines outside the U.S.

The newsprint, pulp and forest products contributed 17% to K-C's sales; the paper and specialties class, 13%. The paper and specialties class operating profit rose 23% to $59 million in 1982.

In fall, 1982, the market for Depend incontinence products was expanded from five to 13 states in the Midwest, and a new undergarment was added to the product line. Depend is in 60% of the country and could be available nationally by the end of 1983. Ad support for Depend in 1982 was $1.1 million, most of it for spot tv. The brand's competition comes from Procter & Gamble's Attends.

In the disposable diaper market, K-C's Huggies had an estimated 12% share in 1982. The competition, once again, is P&G's Pampers and Luvs, with 50% and 20% shares, respectively, of the $1-billion-plus market. Ad spending for Huggies rose again in 1982, to $15.6 million—an increase of 22% over 1981.

In the category of feminine hygiene products, K-C continued to lend ad support in 1982 to the New Freedom line of products, spending a total of $14.5 million. This was a slight decrease over the 1981 total of $14.9 million.

Early in 1983, K-C introduced a New Freedom "thin" maxipad into test market in Minneapolis/St. Paul. It was no surprise that this was also the market selected by P&G to test its Always line of feminine protection products.

In April, K-C announced it was introducing the product nationally with the "largest advertising program it has ever introduced for a feminine product." The company further stated that "the thin pad segment of the maxipad market is growing faster than any other." Spending on K-C's venerable Kotex brand was $9.9 million, an increase of 1% over 1981. Kotex Security tampons, reflecting a continuing poor market for the category, received a mere $255,200 in measured ad spending in 1982.

Ad spending on K-C's Kleenex facial tissues was $8.3 million last year, an increase of 118% over expenditures for the brand in 1981. Kleenex Softique, a new extra-soft product introduced early in 1982, received ad support of $45,600.

In May, 1983, Leo Burnett USA resigned Kleenex facial tissues, Kleenex Softique facial tissues, Kleenex and Delsey bathroom tissues, Kleenex and Hi-Dri paper towels, plus the Depend incontinent briefs line and other new product.

The split occurred when Burnett learned that K-C was moving the $20 million New Freedom line to Ogilvy & Mather, New York. O&M had been handling Kotex feminine protection products and Huggies and Super Dry disposable diapers.

According to Burnett, the loss of New Freedom precluded "our continuing to work with Kimberly-Clark." When the dust settled, Foote, Cone & Belding, Chicago, was given about $15 million worth of consumer tissue products, especially the Kleenex brand.

Campbell-Mithun, Minneapolis, was assigned the Depend brand with estimated billings of $5 million. K-C moved Kotex Lightdays pantyliners to Tatham-Laird & Kudner, Chicago, from O&M.

Cecelia Reed

ADVERTISING EXPENDITURES

	1982	1981
Newspapers.......	$1,669,900	$1,656,000
Magazines........	10,062,500	9,050,800
Spot tv............	10,831,700	12,940,900
Network tv........	28,787,500	21,145,600
Spot radio..........	86,400	648,200
Network radio...	—	903,100
Total measured..	51,438,000	46,344,600
Unmeasured.....	17,865,900	16,095,400
Estimated total...	69,303,900	62,440,000

KIMBERLY-CLARK CONSUMER AND SERVICE CO.
(U.S. only)
Marketing Personnel

P.N. Larson, president, North American business
R.F. Auchter, vp-infant care prods
J.D. Bernd, vp-tissue business group
T.L. Dahl, vp-personal care business group
R.S. Fountaine, vp-U.S. mktg rsch
W.M. Heran, vp-new business devel
G.A. Zins, vp-consumer tissue
R.C. Van Driest, vp-feminine care
G.J. Ker Jr., director-adv services

Advertising Agencies

Ogilvy & Mather, New York—Kleenex Huggies diapers; New Freedom feminine care prods; Kotex feminine care prods—C. Angers, group director.

Foote, Cone & Belding, Chicago—Kleenex and Softique facial tissue; roll prods; table napkins—D. Fox, group mgmt super.

Tatham-Laird & Kudner, Chicago—Kotex Lightdays PantiLiners—L. Garrison, mgmt super.

Campbell-Mithun, Minneapolis—Depend incontinent products; new products—M. Betsch, mgmt super.

KIMBERLY-CLARK HEALTH CARE, PAPER AND SPECIALTIES CO.
(U.S. only)
Marketing Personnel

M.F. Gade, president
J.C. Whitaker, senior vp-business planning
A.B. Amdur, director, mktg rsch
R.H. Sonnentag, president-technical papers and specialty prods group
R. Plaut Jr., vp-specialty prods businesses
J.H. Sweitzer, director-mktg rsch, specialty prods businesses
T.D. Plant, vp-technical papers businesses
J.S. Rausch, vp-nonwoven fabrics business
R.D. Carter, vp-medical fabrics business
G.R. McGrevin, vp-healthcare prods group
A.H. Johnson, president-business papers group
J.O. Skagen, vp-Neenah paper div
R.W. Kohl, vp-Brown-Bridge div
K.A. Ingram, vp-Karolton envelope div and industrial and svc businesses
M.O. Nelson, president-newsprint, pulp and forest prods group
S.B. Pinkerton, president-Coosa River Newsprint, Pulp and Forest Prods Co.

Advertising Agencies

MED Communications, Hopetown, N.J.—healthcare prods—William Papciak, vp.

Burton-Campbell, Atlanta—service prods; industrial wipes—Mike Bressler, acct super; Bonnie Marcus, acct exec.

Carillon Advertising, West Milton, O.—envelopes—Mario Smiraldo, president.

Renault Alliance

American Motors Corp.
National introduction: September, 1982
Introductory budget: $20 million
Agency: Grey Advertising, New York

Renault Alliance
52
37
$5595
RENAULT

Source: AA estimate

Loews Corp.

	1982	1981
Sales........	$4,747,085,000	$4,776,219,000
Earnings.....	215,824,000	253,213,000
Advertising*..	103,266,800	141,384,400

*AA estimate

Loews Corp., New York, the nation's 60th largest advertiser, reduced its ad budget an estimated 27% in 1982 to $103.3 million. Sales fell 0.6%, to $4.75 billion, while net income dropped 14.8%, to $215.8 million. Income from continuing operations also fell, by 16.4%, to $221 million. These results, which the company attributed to "difficult economic conditions and the state of competition in the marketplace," ended a five-year streak of consecutive gains in revenues and operating income.

The market realities the company faces are best exemplified by its Lorillard division, which achieved record sales and earnings for the seventh year despite a decline in its share of the cigaret market to 8.8% from 9.3% in 1981. Revenue rose 5.8% in 1982, to $1.17 billion, while the division's contribution to corporate income rose 28.5%, to just under $229 million.

Lorillard has spent the past year at a familiar task, bolstering its share of the low-tar cigaret market. A pioneer in the category, the company has since lagged behind its rivals in developing successful new brands and increasing sales of existing low-tar entries.

A restaging of the brand family strategy for Kent, the company's largest line, made its debut in June. The Kent name was reattached to the Golden Lights brand, which saw its sales decline after losing the Kent designation in 1978. That brand, as well as Kent and Kent III, now carry standardized logos.

Foote, Cone & Belding, New York, handles the estimated $25-million Kent account, which it held onto after a creative review in June, 1982, pitting it against Dancer Fitzgerald Sample. As consolation, DFS was awarded the $15 million to $20 million True and smokeless tobacco accounts, which moved in August, 1982, from D'Arcy-MacManus & Masius.

A new 100mm brand, Satin, with 10 mg tar, was introduced nationally in January after achieving a 1% market share—worth $160 million on a national basis—during a six-month test. The product, aimed at women, has a marketing budget for 1983 estimated at $75 million. Lorillard calls Satin, which comes in regular and menthol, "the most aggressive new product launch in its history." It's handled by MCA Advertising, New York, which also handles Newport, Lorillard's only brand to show growth in 1982. In trade ads, MCA projects Satin's national retail sales as topping $250 million.

As of last Jan. 1, Lorillard consolidated all its print media buying in-house. FCB previously handled the estimated $90 million in newspaper and magazine placement.

Various cigaret brands that were in test in 1981—Bistro, Heritage, Maverick and Rebel—have been discontinued.

Newport, as noted, was the only Lorillard brand to boost its market share in 1982, to 2.5% from 2.3%. Sales rose 9.4%, to 15.4 billion. MCA Advertising calls Newport "the fastest growing established cigaret brand." Ad spending in magazines and outdoor totaled $14.9 million, up 25.6% from 1981.

Kent, Lorillard's No. 1 product line, suffered a market share decline to 4.2% from 4.6%, as sales fell 8.8%, to 25.8 billion. Ad spending, in magazines, newspaper supplements and outdoor, soared 64.6%, to $21.4 million.

The market share for True dropped to 1.5% from 1.6%, as sales dropped 8%, to 9.1 billion. Spending in magazines, newspaper supplements and outdoor rose 7.5%, to $11.2 million.

Triumph, a 3mg brand introduced in 1979, suffered a serious slide in both market share (from 0.4% to 0.2%) and sales (down 45.4%, to 1.2 billion). Ad spending, which in 1981 totaled $12.6 million in magazines, newspaper supplements and outdoor, plunged to just $100 in outdoor.

Among the smaller brands, Old Gold's market share was flat at 0.3%, while sales fell 10.5%, to 1.88 billion. Spending in outdoor only totaled $3,300. The market share of Max stayed at 0.1%, as sales dropped 8%. Spending in magazines and outdoor totaled $600,100. Spring remained at a minuscule 0.01% of the market, as sales dropped 14.3%, to 0.06 billion. There was no ad spending in measured media. In addition to its cigaret brands, Lorillard also markets several smokeless tobaccos. They were supported with $2.2 million in measured ad spending.

In other Loews divisions, Loews Hotels achieved what the company called "excellent results . . . despite the troubled economy and a soft travel year." Revenues were $161.4 million, down 32.8% from 1981. Contribution to corporate income also fell, by 67%, to $33.6 million.

Despite these results, the division continues work on a variety of projects. A hotel and casino were opened on the French Riviera. Construction has begun on a hotel and resort in Paradise Valley, Ariz., and a suburban motel, the company's first, in Teaneck, N.J. And a major expansion of the Anatole Hotel in Dallas is under way.

Last year was another record year for Loews Theatres, as revenues rose 7.1%, to $64.2 million, and income contribution rose 12.1%, to $14.5 million. The division opened 17 theaters in three complexes, with construction proceeding on an additional 14 theaters in two complexes.

The CNA Financial division, made gains in spite of "one of the most difficult years the insurance industry has experienced," according to Loews. Revenues rose 0.7%, to $3.2 billion, though income contribution fell 22%, to $107.9 million.

General Finance, which handles consumer finance, saw its debt and portfolio positions restructured to reduce short-term debt.

Bulova Watch Co. "made substantial progress in its revitalization program," Loews said, but still incurred losses because of an oversupply of product and stepped-up overseas competition. Revenues dropped 15.8%, to $151.2 million. Where there was income contribution of $4.7 million in 1981, there was a loss last year of $17.4 million.

Bulova made its move to reach young consumers with a new tv and magazine ad campaign featuring famous faces, among them Muhammad Ali, Roger Daltry and Bernadette Peters, touting Bulova's famous faces. The division debuted a line of men's watches called Milennia, via a tie with ETA SA Fabrique D'Ebauches of Switzerland. The Caravelle line of lower-price watches was redesigned, to favorable retailer response. Ad spending for Bulova rose about 9%, to $3.2 million.

Stuart J. Elliott

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$22,645,400	$49,591,300
Magazines	28,955,400	36,486,400
Spot tv	3,692,000	3,900,300
Network	1,176,200	1,332,600
Spot radio	136,000	32,800
Outdoor	23,661,800	25,042,000
Total measured ..	80,266,800	116,384,400
Unmeasured	23,000,000	25,000,000
Estimated total ..	103,266,800	141,384,400

LORILLARD DIVISION
Marketing Personnel

C.H. Judge, president
J.R. Ave, exec vp-mktg
R.H. Orcutt, senior vp-sales
T.H. Mau, vp-adv and brand mgmt
S.R. Ridgway, vp-pr
J.P. Mastandrea, director-sales-U.S.A.
G.R. Telford, group brand director
M.H. Burke, group brand director
C.W. Toti, director, mktg services
M.K. Capra, director, mktg devel
J.E. Daghlian, director, mktg devel
W. Sands, media director
P.A. Lawless, sales promo director
J.G. Flinn, mktg rsch director
R.D. Hammer, E.M. Kiernan, A. Pasheluk, senior brand mgrs
M.A. Kayiatos, P.R. Lawrence, C. Ray, brand mgrs
C. Garbin, assoc brand mgr

100

K. Curren, V. Lindsley, C.R. Elam, asst brand mgrs

Advertising Agencies

Foote, Cone & Belding, New York—Kent family (Kent, Kent III, Kent Golden Lights), Max, new prods, corporate trade—Jack Angus, group mgmt director; Tom Hall, Paul Iffland, mgmt directors.

Dancer Fitzgerald Sample, New York—Triumph, True, Beech-Nut chewing tobaccos, new prods—Tom Bohan, mgmt director; Joe Albanese, Don Bigda, Jerry Darringer, acct supers.

MCA Advertising, New York—Newport, Old Gold, Satin, new prods—George Hoefer, managing director; Ed Ricci, Ted van de Kamp, acct directors.

Jordan, Case & McGrath, New York—new prods—Pat McGrath, president; Neil Tergeson, acct super.

LOEWS HOTELS

Marketing Personnel

Robert Hausman, president
William Maibach, exec vp
Ann Bontempo, vp-pr
Philippe Borel, vp-mktg
Mirian Succoso, director-mktg services

Advertising Agencies

Landis & Landan, New York—Vernon Mosheim, acct exec.

Cavalieri, Kleier & Pearlman, New York—Ian Kleier, acct exec.

Enterprise Advertising Associates Ltd., Toronto—Alan C. Middleton, general mgr.

LOEWS THEATRES

Marketing Personnel

Bernard Myerson, president
Bernard D. Diamond, exec vp
Donald E. Baker, vp-adv
Ted J. Arnow, asst vp-adv and promo
Henry I. Goldenberg, adv director

Advertising Agency

Charles Schlaifer & Co., New York—Herb Joseph, vp-acct exec.

CNA INSURANCE COS.

Marketing Personnel

Edward J. Noha, chairman and ceo
Ron Ventrella, asst vp-property/liability distribution
Stephan Lewis, vp-life/health/pensions distribution
P.L. Engle, vp-mktg
Tom Snyder, vp-corp communications

Advertising Agency

Frank C. Nahser Inc., Chicago—business, trade publications—Ron Nahser, president

GENERAL FINANCE CORP.

Marketing Personnel

P.R. Tisch, chairman
E.G. Stautzenbach, vp-director, marketing

Advertising Agencies

Cunningham & Walsh, Chicago—Jack Arnold, acct exec.

BULOVA WATCH CO.

Marketing Personnel

A.H. Tisch, president
Jerry Josephson, vp-mktg
George Forman, vp-director, mktg services

Advertising Agency

Doyle Dane Bernbach, New York—Ira Grindlinger, acct super.

MCA Inc.

	1982	1981
Sales	$1,587,618,000	$1,328,988,000
Earnings	176,198,000	89,788,000
Advertising*	80,100,000	63,600,000

*AA estimate

MCA Inc., Universal City, Cal., the 70th largest advertiser, increased ad spending 26% in 1982 to an estimated $80.1 million.

The parent company of Universal Pictures reported sharply increased revenues and profits as it basked in the warm afterglow of "E. T.—The Extra-Terrestrial," a summer, 1982, release that surpassed "Star Wars" as all-time movie box office champion. MCA reported revenues of $1.6 billion in fiscal 1982 (calendar year), a 19% increase from the $1.3 billion recorded in 1981. Net income soared 96% to $176.2 million, from $89.8 million a year earlier. "E.T." has grossed $360 million domestically and its foreign gross is estimated at about $250 million.

Increased ad spending, despite the general recession, is largely a result of supporting more hit movies that enjoy long, successful runs.

As a result, substantial fluctuations in media spending year to year are normal in the film industry. MCA itself recorded a 14% ad spending decline in 1981, partly because of a lackluster crop of films.

The "E.T" bonanza prompted a two-for-one stock split in January, 1983. The heartwarming saga of a lost space visitor helped push investment income (cash and short-term investments) for MCA—traditionally cash rich and carrying little long-term debt—to $400.1 million at the end of fiscal 1982, compared to $188.1 million the year before.

In other ventures, real-estate development valued at $200 million is underway at the 420-acre Universal Studios film lot, a site adjacent to Hollywood and valued at more than $1 billion, where MCA is headquartered. An internal reorganization separating the real estate from other operations was initiated in March, 1982, prompting speculation that MCA may eventually create a new company to hold the valuable real estate.

In July, 1982, MCA spun off its Columbia Financial Corp. subsidiary, ridding itself of the Denver-based savings and loan that proved to be a drain when high interest rates sent the entire s&l industry into hard times.

In other operations, MCA TV's barter syndication activities continued to grow. Universal Television, however, traditionally the leader in supplying the three commercial networks prime time series, slipped several notches in early 1983.

In theatrical film operations, "E.T." powered Universal Pictures to a 30% market share in 1982, best in the film industry. "On Golden Pond," the Best Picture Academy Award winner of 1981 that racked up much of its business in 1982, and "The Best Little Whorehouse in Texas," to a lesser extent, contributed to Universal Pictures' dominance as well. (Universal Pictures is unlikely to duplicate that feat in 1983 because rival studios, with sequels to blockbusters like "Star Wars" and "Superman," figure to sweep ahead.)

Theatrical revenues, part of MCA's filmed entertainment division, reached $608.8 million in 1982, a 94% increase from the $313.3 million raked in the year before.

The theatrical division was the biggest contributor to the filmed entertainment division, which in 1982 chalked up $1 billion, 29% more than the $788.7 reported in 1981. The "E.T." glow was most apparent in filmed entertainment operating income (profits before taxes and other expenses), which nearly tripled to $212.0 million, vs. $72.0 million in 1981.

Robert Rehme, theatrical distribution and marketing division president, took command of Universal Pictures in December, 1982, when he was appointed president of the Theatrical Motion Picture Group, a new post.

One month earlier, Charles O. Glenn, a veteran movie advertising executive, joined as exec vp-advertising, publicity and promotion. Mr. Glenn succeeded David Weitzner, who took a top post at Embassy Pictures. Doyle Dane Bernbach, the agency that followed Mr. Weitzner from 20th Century Fox-Pictures, is Universal's agency for national media; movie advertising represents the lion's share of MCA's advertising.

About $4.4 million was spent in network tv commercials to support "On Golden Pond," touting its Oscar for Best Picture. "E.T," with $2.7 million and "Conan, the Barbarian," with $2.1 million were next in line with measured network tv ad campaigns, according to LNA.

MCA, despite being cash-rich historically, has in recent years relied increasingly on others to help finance its motion pictures. Among the co-producers or companies producing films that Universal distributes are the British-backed Associated Film Distribution ("On Golden Pond"), Lorimar Productions, Oak Industries ("Psycho II"), producer Dino de Laurentiis ("Conan") and RKO-General.

Universal Television, the production arm, has traditionally been Hollywood's single leading supplier to the three commercial tv networks of series programing, but slipped from its perch. It remains among the leaders, however, with five hours on the three networks' fall premiere schedule. In its heyday, it produced 10 hours or more.

CBS-TV bought "Magnum, P. I.," "Simon and Simon" and a new series, "Whiz Kids." NBC-TV takes "Knight Rider" and "A Team." In addition, CBS-TV has ordered a limited series that will come on later in the season, "Domestic Life," a sitcom starring Martin Mull.

Universal's staples traditionally have been hourlong dramatic series and action programs, which sell well overseas, where MCA TV has a strong presence in distribution.

MCA's pay tv distribution arm, in a ground-breaking first during February, 1983, offered the film "Pirates of Penzance" on a pay-per-view tv basis for $10 per home the same day it premiered in movie theaters. The ppv showing, which angered theater operators, only achieved a 10% penetration rate in about 1.4 million ppv homes.

Also part of filmed entertainment operations is Recreational Services, consisting primarily of the Universal Studios Tour, a major Southern California theme park and the New Universal Amphitheatre.

Another component of Recreational Services is Yosemite Park and Curry Co., concessionaire at the famous National Park located in central California. The agency for the $5 million Recreational Services account is FCB/Entertainment, Los Angeles, which replaced Abert, Newhoff & Burr in October, 1982. Most of the division's ad budget promotes the studio tour in Southern California.

Also reported as part of filmed entertainment is MCA's partnership in USA Cable Network, a successful advertiser-supported basic cable network. Home Box Office, the Time Inc. subsidiary, and Paramount Pictures, the Gulf & Western subsidiary, are MCA's partners in the cable tv network and have expressed interest in jointly mounting other cable tv program ventures, including a pay-per-view service.

MCA's next largest operating unit, after filmed entertainment, is Spencer Gifts, Atlantic City, N.J., which is a retail and mail-order company. Spencer Gifts retail operations, 435 stores, suffered declining margins despite slightly higher sales. Mail-order operations, however, had a record year for revenues and profits.

MCA's third-largest operating unit, records and music publishing, posted a slight decline in revenues and profits in 1982. Revenues of $165.9 million were down 5% from the $175.2 million a year ago. Operating income slid 4% to $24.2 million, compared to $25.2 million in 1981. However, its profit margin is considered excellent by music industry standards.

In what was a major coup, MCA brought aboard Irving Azoff, a leading rock group manager and movie producer, as president of MCA Records Group in April, 1983. Mr. Azoff, whose Front Line Management handled The Eagles, Chicago, Christopher Cross and others, is expected to broaden MCA's roster of artists and could possibly exert influence beyond MCA's music operations because of his broad background.

Eugene L. Froelich, corporate group vp-records, was reassigned to other corporate duties to make way for Mr. Azoff. Bob Siner, MCA's second ranking record executive, departed shortly after Mr. Azoff arrived.

MCA recently bought Grosset & Dunlap, Ace and Playboy mass-market paperbacks, acquisitions that help lift revenues. It also recorded brisk sales from books and other printed items licensed from "E.T."

MCA was also one of three major movie studio partners in a five-company joint venture that proposed to take over Showtime and The Movie Channel pay cable networks. However, the Justice Department opposed the plan initially.

MCA and Walt Disney Productions are plaintiffs in the Sony Betamax lawsuit over home videotaping of copyrighted programs that is before the Supreme Court.

Bob Marich

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$4,593,500	$4,121,200
Magazines	1,426,900	530,500
Spot tv	8,950,300	4,914,100
Network tv	20,467,000	17,942,900
Spot radio	6,400,000	6,446,600
Network radio	83,200	86,800
Outdoor	292,400	269,600
Total measured	42,213,300	34,311,700
Unmeasured	37,886,700	29,288,300
Estimated total	80,100,000	63,600,000

MCA INC.

Lew R. Wasserman, chairman/ceo
Sidney Jay Sheinberg, president-chief operating officer

UNIVERSAL PICTURES

Marketing Personnel

Robert Rehme, president, Theatrical Motion Picture Group
Charles O. Glenn, exec vp-adv, publicity, promo
Gordon Armstrong, vp-adv, publicity, promo
William Soady, exec vp-genl sales mgr
John Butkovich, vp-media and coop adv
Olen Earnest, vp-mkt research
Kevin Genther, vp-promo and field ops
Fred Skidmore, director-natl publicity
Hy Levine, media mgr

Advertising Agency

Doyle Dane Bernbach/West—Simon Kornblit, exec vp-director acct services; Jim Spero, senior vp-media director; Lisa Courtney, media super; Sue Taylor, acct super; Ann-Marie Whitman, acct exec.

MCA HOME VIDEO

Marketing Personnel

Gene Giaquinto, president
Jerry Hartman, vp-mktg

Advertising Agency

Cavalieri & Kleier Advertising, New York—Ian Kleier, vice-chairman-mgmt super; John Cavalieri, chairman-creative director; Paul F. Purcell, acct super; Corinne Brohme, acct exec; Michael Katz, media dir.

MCA RECREATION SERVICES

Marketing Personnel

J. S. Stein, president-ceo
Herb Steinberg, vp-mktg

Advertising Agency

FCB/Entertainment, Los Angeles—Steve Hayman, senior vp; Michael Wagman, creative director; Catherine Adams, acct director; Cathy Fleig, media super.

SPENCER GIFTS

Atlantic City, N.J.

Marketing Personnel

J. Eugene Brog, president
John L. Doyle, exec vp-director operations
Charles H. Ross, exec vp-general manager-retail division
George R. Zilling, vp-mktg, planning, rsch, devel

Mail-Order Operations

S. Gary Stern, vp-merchandising
Dotti J. Watts, intl mktg admin

Advertising Agency

Fairfax Inc., New York—James Fishel, acct exec; Peter Joyce, media director.

MCA RECORDS

Marketing Personnel

Irving Azoff, president
Sam Passamano Jr., adv director/merch
Larry Solters, vp-artist development

Advertising Agency

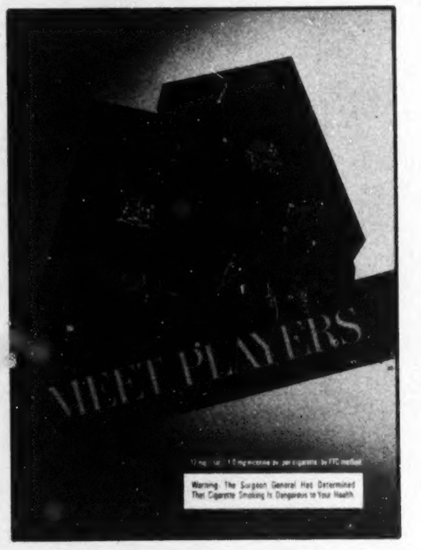
Lankershim Advertising (inhouse).

MCA DISTRIBUTING

Al Bergamo, president

Players cigarets

Philip Morris Inc.
National introduction: April, 1983
Agency: Wells, Rich, Greene, New York


MEET PLAYERS
Warning: The Surgeon General Has Determined That Cigarette Smoking Is Dangerous to Your Health.

KNOW THY COMPETITION

See page 117

LNA

Mars Inc.

	1982	1981
Sales*	$1,490,000,000	$1,350,000,000
Earnings	NA	NA
Advertising*	120,007,600	78,400,000

*AA estimates

Mars Inc., the nation's 54th largest advertiser, posted a hefty increase in 1982 ad spending, a leap that sent the companywide total climbing 53% to an estimated $120 million. Ad spending at Mars' Kal Kan Foods unit was up about 65%, and the jump at its Uncle Ben's Foods was about 40%.

The real engine behind the year's advertising surge, after a decline in 1981, was the 50% increase in ad spending support for Mars' candy and snack brands. That accounted for $21 million of the estimated $35 million increase in measured media in 1982.

U.S. sales last year, up an estimated 10.4% to $1.49 billion, reflect Mars' continued, determined effort to build share in the chocolate bar/snack market, sales gains in its pet food lines, particularly with Crave, its dry cat food, which is expanding to more markets. U.S. dried rice sales, industrywide, were flat to lower last year, and this is believed to have limited sales gains in Mars' U.S. rice business.

The company's widespread international operations put Mars candy and pet food brands at or near the top of the heap in Europe and elsewhere. Global sales figures, including U.S. results, are imprecise. Estimates range up to $3 billion or more annually.

Mars, one of the largest privately held companies in the world, remains one of the most secretive of giant corporations. It does not release any sales or advertising figures and only rarely talks about its marketing and advertising strategies and goals.

What's plain from two years of aggressive behavior in the U.S. candy market—juggling price increases and price cuts, bigger and smaller candy bar sizes, spurts of heavy ad activity—is Mars' hunger for a larger share of market. U.S. chocolate candy bar and "panned" goods (M&M's) sales are estimated at $2.6 billion. Building from the 33% share observers credited to Mars in 1980, the company is now believed to hold a 40% to 50% share of market. For the year, AA estimates Mars candy and snack sales at a little more than $1 million, up about 10% from a year ago.

The M&M/Mars unit has one new candy bar in test this year, "Applause" caramel apple crunch bar, and various other new product ideas are on the drawing board. Other recently introduced candy products that received significantly greater ad support last year were Royals mint chocolates and Skittles bite-size candies.

Mars is also continuing its bid to break into the hotly competitive U.S. snack market through its Snack-Master unit, based in Georgia. It is following up on last year's launch of Combos, a cheese-filled pretzel nugget, with a new filled snack product, still in test markets, called Corn-Quistos.

While the snack field still holds powerful attraction for Mars, the company has pulled the plug on an effort to establish itself in the frozen foods field through Uncle Ben's Foods. It closed its Uncle Ben's Frozen Foods unit, in St. Charles, Ill., and two test products, SunCrisps, a frozen french fry made from rice, and Heat 'n Serve frozen rice dishes disappeared from the market.

Uncle Ben's converted brand rice is still believed to be the top selling dried rice brand in the U.S., although Colgate-Palmolive, through its Riviana unit brands, is believed to be the industry sales leader. While withdrawing from frozen foods, Mars sharply boosted ad spending for Uncle Ben's converted rice. AA estimates sales last year for the rice unit were about $157 million, up 5% from the previous year.

In pet foods, Mars trails well behind Ralston-Purina and other market leaders in total dollar sales despite successes in European markets. Its traditional strength has been in the canned dog and cat food segments, where analyst John Maxwell ranks Kal Kan dog food second to GrandMet's Alpo and Kal Kan cat food, third behind Heinz' 9-Lives and Carnation's Friskies Buffet.

Mars' entry into the big dry dog food category, Mealtime, ranks sixth in Mr. Maxwell's ratings, falling slightly behind fifth ranked Cycle, from General Foods, in 1982. Crave, the company's dry cat food, expanded rapidly into new markets supported by heavy advertising last year and climbed into fifth place in Mr. Maxwell's rankings for the category.

With all its brands believed to have increased dollar sales in 1982, and with Crave enjoying particularly big percentage gains, AA estimates Mars U.S. pet food sales for the year at about $282 million, up 34%. Estimated measured media spending for major Mars brands last year was:

- Candy and snacks—Snickers, $16.3 million, up 111%; M&M's, $9.5 million, up 69%; Three Musketeers, $6.8 million, up 48%; Twix, $6.7 million, up 17%; Milky Way, $6.6 million, up 46%; Mars bars, $5.6 million, up 5%; Starburst, $3.6 million, up 47%; Summit, $3.2 million, off 15%; Combos, $2.7 million, up 389%; Royals, $1.1 million, up 243%; and Skittles, $1.1 million, up 351%.
- Pet foods—Crave dry cat food, $9.4 million, up 824%; Kal Kan canned dog food, $5.2 million, up 17%; Mealtime dry dog food, $4.9 million, up 11%; Kal Kan canned cat food, $4.8 million, up 18%.
- Rice products—Uncle Ben's rice, $9.7 million, up 50%.

Richard L. Gordon

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$1,355,500	$914,300
Magazines	2,533,700	1,462,100
Spot tv	46,508,600	32,217,700
Network tv	49,661,300	31,180,600
Spot radio	849,000	96,200
Outdoor	—	5,900
Total measured	100,907,600	65,876,000
Unmeasured	19,100,000	12,523,200
Estimated total	120,007,600	78,400,000

MARS INC.
McLean, Va.
Howard L. Walker, regional president
M&M/Mars
Hackettstown, N.J.
Alun Jones, president
Jos. Stalenhof, vp-brands
M&M/Mars Broker Division
Waco, Tex.
Ove Sorensen, vp
Snack-Master
Albany, Ga.
Sam Dewar, president
Tom Weighman, vp-sales & marketing
Uncle Ben's Foods
Houston
Thomas Armstrong, president
Richard Guha, mktg director
Kal Kan Foods
Vernon, Cal.
John H. Barrow, president
Advertising Agencies

Ted Bates Advertising, New York—pet foods—Jerry Brady, mgmt rep, Kal Kan canned dog food, Kal Kan canned cat food, Mealtime dry dog food; candy & snacks—M&M's, Three Musketeers, Snickers, Starburst, Royals, Skittles, Summit, Applause (in test) Snack-Master's Combos, Snack-Master's Corn-Quistos (in test), new prods—Larry Light, exec vp-client services; Dan Logan, mgmt rep; Mary Anne Donovan, mgmt super; Alice Uniman, mgmt super.

D'Arcy-MacManus & Masius, New York—candy & snacks—Bruce Guidotti, mgmt super; Mars bars—Cleve Langton, acct super; Milky Way—Linda Stotter, acct super; James Hindhaugh, senior acct exec; Rick Campbell, acct exec; Twix—Cleve Langton, acct super; Deborah Barrows, acct exec; multibrand promotions—Linda Stotter, acct super; Rick Campbell, acct super; new products—Cleve Langton, acct super; Deborah Barrows, acct super.

D'Arcy MacManus & Masius, St. Louis—pet foods—Jack Bruemmer, mgmt rep; Crave dry cat food, MPS Chunks canned dog food, Thorobred canned dog food; candy & snacks—Lockets cough drops.

J. Walter Thompson USA, Chicago—Uncle Ben's Converted brand rice products—Gerry Broderick, group acct dir; Peggy Pilas, senior acct super; Alan Rose, acct super, Converted brand rice, brown rice, flavored rices; Pat Muldoon, acct rep, long grain and wild rice, flavored rices; Catherine Schulte, acct rep, converted brand rice, brown rice; Jay Tolman, acct super, regional mktg.

Castor Spanish International, New York—Uncle Ben's Converted brand rice products—Arturo Andrade, acct super.

Mattel Inc.

	1982*	1981*
Sales*	$1,341,914,000	$1,134,252,000
Earnings	42,390,000	39,102,000
Advertising**	217,900,000	110,600,000

*For '83 and '82 fiscal years closing end of January
**AA estimate

Mattel Inc., Hawthorne, Cal., increased ad spending 97% to an estimated $217.9 million in 1982, making it the 28th largest U. S. advertiser.

The whopping ad spending increase came from stepped-up efforts to market videogame products in Mattel's now beleaguered electronics division. Network spending alone soared to $61 million from $26 million the year before, a 135% increase.

Yet Mattel Electronics, once the darling division of the company for its ability to make fat profits in marketing the Intellivision programable videogame, has fallen on hard times, reporting huge losses in early 1983.

The division posted a $28.1 million loss in the fourth quarter of its fiscal 1983 ended Jan. 29, 1983, compared with a $45.1 million operating profit for the same period a year earlier. For the first quarter of fiscal 1984 ended April 30, the electronics unit showed a $34.4 million loss, compared with a $25.3 million operating profit for the comparable period a year earlier.

The electronics division losses dragged total corporate net income into the red for both those quarters. Then in August, faced with a pretax loss of "significantly more than $100 million" for the first half of 1983, Mattel added 400 more white-collar employes to 260 already laid off in its electronics division, raising the specter that Mattel may be forced to close the division which accounted for $555.6 million of Mattel's $1.34 billion in sales and $67 million of its $130.1 million pretax operating profit in fiscal 1983.

But major losses in 1983 overshadow the improved performance of fiscal 1983. Intellivision, first introduced in 1980, is now being preempted by ColecoVision and the second generation Atari 5200 introduced in late 1982.

Intellivision holds less than a 15% market share, a share that is continuing to shrink, analysts estimate. In all, 3.5 million Intellivision units have been sold since its introduction. Intense competition forced Mattel to cut Intellivision's price to about $100 retail, compared with $230 or more in its heyday.

Compounding the troubles, the videogame market began to merge with the low-end home computer market (the computers offer videogame play) and Mattel was slow to introduce new products. Its first home computer, Aquarius, is being rolled out in late 1983.

Mattel originally estimated that the basic Aquarius unit would retail for about $200, but slashed the price to under $100 because of competition from Commodore International, Texas Instruments and others.

The complete four-piece Aquarius system, including a thermal printer, miniexpander game player and data recorder accesories, is to retail for $350 to $400.

"Mattel has been a day late and a dollar short for a while," Greg Kieselmann, an analyst at Bateman Eichler, Hill Richards, Los Angeles, said in an interview.

To spur sales, Mattel offered a 13-in. color tv with purchases of the complete Aquarius system (for an additional $99) and Intellivision (for an additional $75).

In 1982, Mattel Electronics began marketing videogame cartridges compatible with the Atari 2600, the most popular videogame system. But Mattel eventually advertised a three-for-the-price-of-two offer to clear out high inventories.

Mattel plans to offer software for IBM and Apple computers soon, a spokeswoman said.

Mattel Electronics also launched Synsonics Drums, an electronic drum instrument, sold out in 1982. Its success prompted Mattel to offer a second drum product in 1983.

After losses mounted, a new management team took over Mattel Electronics in July, 1983.

William Mack Morris, whose background was in soft goods marketing before joining Mattel, was named electronics division president. Mr. Morris, who was president of Mattel's diversified companies division, succeeded Joshua Denham, who resigned but remains a consultant. Terrence E. Svaleski, a marketing consultant, was appointed senior vp-marketing and sales.

While electronics, a division whose revenues represented 41% of fiscal year sales, is troubled, the picture is much brighter in the toy and hobby products division, which accounts for 39% of sales.

The division's revenues of $528 million were 14% higher than the year before, which is impressive considering that toy industry sales as a whole declined 5%, though it remains profitable.

Mattel, which sells about 500 toy products, holds a 10.5% market share in the U. S. and 3% in the world, according to the company. This is for traditional, nonelectronic toy products. Mattel bills itself as the world's largest single-unit toy manufacturer, although General Mills can be considered larger when all its various toy operations are added together.

Barbie dolls, first introduced in 1959, set new sales records and continued as the flagship toy line. Two other toy product lines are being adapted into animated tv series, an indication of strong market acceptance.

He Man, Masters of the Universe—a line of eight action play figures created in-house by Mattel Toys—is being launched in a joint tv syndication venture with Group W Productions (65 half-hours will be produced). ABC Television Network, meanwhile, will adapt the Monchichi line of smiling, monkey-like characters for a Saturday morning animated series. Both tv series will make their debut in fall, 1983. Mattel Licensing Corp. was established in November, 1982, to foster other licensing and merchandising arrangements. A perennial favorite, Hot Wheels miniature die-cast cars, and the pre-school Children's Discovery line were also brisk sellers.

Mattel's next largest division is publishing and printing, consisting largely of Western Publishing, Racine, Wis. Its revenues of $246 million (representing 18% of Mattel's total revenues) decreased 11%.

Western Publishing, best known for its Golden Books and Whitman line, posted a $2.4 million loss for the fiscal year, compared with a $10.5 million operating profit the year before. The loss included a $7.5 million writeoff for plant closings and consolidation aimed at restoring profitability in the future. In an agency move, Western Publishing replaced MCA Advertising, New York, with Ogilvy & Mather, Chicago, and Kobs & Brady, Chicago.

In March, 1982, Mattel sold its Ringling Bros. and Barnum & Bailey Combined Shows for $22.8 million to the management. Mattel bought the circus show for $50 million in stock in 1971, but it proved to be a drain. On the other hand, Mattel retained Circus World Theme Park in Florida, a small, money-losing operation.

In 1982, Mattel test-marketed People Protection Products, a line of safety products retailing from $10 to $80, supported by ads featuring "Hill Street Blues" star Michael Conrad. Though the test marketing was not a success, resulting in a loss amounting to several million dollars, the line may be revamped and reintroduced.

The company also established Mattel Direct Marketing in December, 1982, as a new unit.

Bob Marich

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$5,799,900	$2,306,700
Magazines	9,238,300	4,128,200
Spot tv	19,956,400	16,085,900
Network tv	60,984,600	25,960,200
Spot radio	156,100	—
Network radio	1,486,200	—
Outdoor	76,600	196,900
Total measured	97,698,100	48,677,900
Unmeasured	120,201,900	61,922,100
Estimated total	217,900,000	110,600,000

MATTEL TOYS
Marketing Personnel
Raymond P. Wagner, president
Glenn A. Hastings, exec vp and president, Mattel Toys USA
John W. Amerman, president, Mattel Toys International
Thomas J. Kalinske, senior vp-domestic and worldwide category management
Judith A. Shackelford, senior vp-worldwide category management
Joseph F. Morrison, vp-mktg services and admin
MATTEL ELECTRONICS
Marketing Personnel
William Mack Morris, president
Terrence E. Valeski, senior vp-mktg and sales
Advertising Agency

Ogilvy & Mather, Los Angeles—Gerard Smith, senior vp-managing director; Jim Surmanek, general manager; Tim Elliott, senior vp-managment super; Jill Himonas, senior vp-management super; Christina Stevens, senior vp-creative director; Paul Walter, vp-creative director; Ron Reilly, senior vp-media director; Ken Berris, vp-creative director; Dan Dixon, senior vp-creative director; Elaine Haller, vp-creative director; Jim Weir, vp-creative director.

Ed Libov Associates, Los Angeles—Thomas Maney, exec vp-genl mgr; Dan Chepley, corp senior vp (New York).

WESTERN PUBLISHING CO.
Racine, Wis.
Marketing Personnel
Joseph A. Marino, president
William O. Nahikian, vp-mktg, consumer products division
George P. Oess, vp-business development
Advertising Agencies

Ogilvy & Mather, Chicago—Curt Ippensen, mgmt super; Steve Lonning, assoc media director; Bill Waites, group creative director.

Kobs & Brady, Chicago—Sid Liebenson, vp; Libbie Pritsker, acct super; Jill Gordon, acct exec.

Mazda Motors of America

	1982	1981
Sales*	$4,248,050,000	$4,108,250,000
Earnings*	91,410,000	71,710,000
Advertising**	70,531,400	40,648,400

*Worldwide for parent Toyo Kogyo Co. Ltd; fiscal year ends Oct. 31
**AA estimate

Mazda Motors of America Inc. (Central), Rancho Dominguez, Cal., was the 82nd largest national advertiser in 1982. The company boosted its ad spending a hefty 73.5% to $70.5 million from expenditures of $40.6 million in 1981. The company is a joint venture of Toyo Kogyo Co. Ltd. and Sumitomo Corp. and Mazda Motors of America (East) Jacksonville, Fla., itself a subsidiary of the C. Itoh Co. A marketer of automobiles and trucks, and fourth-largest Japanese auto importer in the U.S., Mazda had its best year ever in this country, with sales of 204,155 units, including 41,005 trucks and 163,150 cars. This represented a 11.6% increase over the 182,885 total units sold in 1981.

The end of the year found the company with a 2.1% share of the total U.S. market, up from 1.8% in 1981, and with 7.5% of total import registrations, up from 6.2% a year earlier.

Mazda cars and trucks are imported on both East and West Coasts. From the West, Mazda Motors of America (Central) supplies cars to four distributors that service more than 500 dealers in the Pacific Northwest, Great Lakes and Gulf regions. Mazda East, located in Jacksonville, Fla., serves more than 250 dealers in 18 eastern and southeastern states and the District of Columbia. Worldwide unit sales of the parent Toyo Kogyo, Hiroshima, Japan, were down 4.3% from fiscal 1981, first decrease in factory unit sales since 1975, but the company still managed to post record revenues and income for the seventh straight year. Net income was $91.4 million, an increase of 27.5% over 1981.

Network and spot tv and continued use of auto enthusiast magazines and national newsweeklies were the media mainstays behind the introduction of Mazda's 1983 model line. Tv and print ads kept up the price/value theme of previous years, but for 1983 they also stressed "outstanding total performance" of the entire Mazda line.

Heavy emphasis was placed on the debut of the all-new front-wheel drive 626, the company's international midsize vehicle, which got added impact when it was named 1983 Import Car of the Year by *Motor Trend* magazine. The 626 also was named 1982-83 Japanese Car of the Year.

Mazda continued its sponsorship of football and basketball events with participation in the televised games of the NCAA, NBA and NFL. Once again in January, the company was a sponsor of the Super Bowl, and it also renewed its sponsorship of USA Cable Network's "Sports Look" series for the remainder of 1983. Mazda also signed on as a major sponsor, for the sixth straight year, of "NFL Week in Review" and "NFL Weekly Magazine," two barter-syndicated series from Pro Sports Entertainment.

The company also sponsored the $200,000 Mazda Japan Classic, the final event in its 34-tournament series for lady professional golfers (LPGA), and continued its involvement in auto racing. In the U.S., the Mazda RX-7 high performance rotary engine sports car won important races at Daytona and Atlanta and other events overseas. The RX-7, top-selling two-seat sports car in the U.S., posted sales of 50,062 units in 1982, up from 43,418 units the previous year, but still behind the 58,740 units of the popular 626, Mazda's best-selling car last year.

The GLC (Great Little Car) economy cars had the support of the company's multimedia advertising effort. The GLC was offered in front-wheel drive, three-door hatchback and four-door sedan models, boasted 50 mpg highway mileage and 36 mpg in the city, and carried a base sticker price of $5,695. The print campaign supporting GLC called it "the one economy car that lets you forget about economy." Two 30-second tv spots, set to the theme, "The more you look," focused on the roominess and standard features of the GLC base and custom models.

The year saw the biggest expenditure ever made for the promotion of Mazda's pickup trucks, the B2000 gasoline engine vehicle and the B2200 diesel model. In mid-1982, the company started tv advertising announcing price reductions on its B2000 to $5,795, a move in a small-truck price war between Mazda and Japanese competitors Nissan, Toyota, Isuzu and Mitsubishi and U.S.-made products from Chevrolet and Ford.

In the fall, Mazda also launched a major network tv effort, a "weekend" promotion strategy heavily weighted with NCAA football on CBS-TV and, on the conclusion of the National Football League players' strike, of NFL football on NBC-TV. This also included the use of 30-second spots on CBS' "Sixty Minutes" and the ABC and NBC Sunday night movies, as well as the use of newsweeklies and other national consumer magazines. For Mazda, this fourth-quarter strategy translated into sales of 41,005 pickup trucks for the year.

The last fiscal year—Oct. 17, 1982, to be exact—Mazda made the long-awaited move into its new manufacturing plant located in the city of Hofu. The plant includes a central office and four surrounding shops: Stamping, body assembly, painting and final assembly. It currently employs 1,800 workers and has a planned monthly production of 20,000 completed units and knockdown (CKD) units for export and assembly elsewhere.

Chuck Wingis

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$1,991,400	$1,347,100
Magazines	12,360,700	6,728,800
Spot tv	16,737,500	914,200
Network tv	26,709,700	16,410,000
Spot radio	45,700	82,700
Outdoor	86,400	165,600
Total measured	57,931,400	25,648,400
Unmeasured	12,600,000	15,000,000
Estimated total	70,531,400	40,648,400

Marketing Personnel

Mazda Motors of America (Central)

T. Ogawa, president
R. Hayden, senior vp-genl mgr
D. Bowen, mktg mgr
R. Parker, sales mgr
B. Wolf, public affairs mgr

Mazda Motors of America (East)

S. Kano, president
E. Sundstrom, senior vp-genl mgr
J. Trado, vp-sale mgr.

Advertising Agency

Foote, Cone & Belding/Honig, Los Angeles—W. Mansfield, senior vp-group mgmt director; J. Arnold, vp-mgmt director; B. Fogel, natl adv, cars; S. Morrissey, natl adv, trucks.

McDonald's Corp.

	1982	1981
Sales	$7,809,000,000	$6,226,000,000
Earnings	300,644,000	264,834,000
Advertising*	265,542,300	230,248,200

*AA estimate

McDonald's Corp., Oak Brook, Ill., the nation's 19th largest advertiser, increased its domestic advertising and promotional spending by 15.3% in 1982 to an estimated $265.5 million. Worldwide, McDonald's Corp., its franchisees and its affiliates spent more than $368 million, according to company reports. That worldwide figure represented a 14% increase from 1981's $322 million, and is more than twice the amount spent five years ago.

McDonald's systemwide sales rose 10% in 1982 to $7.8 billion. In contrast, 1981's systemwide sales total of $7.13 billion was 15% more than the previous year's total. The smaller 1982 increase reflects the recessionary pressures that kept growth for the total fast-food industry below McDonald's performance. The company's net income in 1982 of $301 million was 14% more than 1981's $265 million, but also represented a smaller increase than had been reported in 1981 (20%). Still, McDonald's remained the fast-food industry's largest chain, with total sales only slightly less than those of its next four largest competitors combined.

Total sales for the 1,341 McDonald's units outside the U.S. rose to $1.45 billion in 1982, amounting to 19% of systemwide sales.

McDonald's growth strategy has been to add 500 restaurants to its system annually. It exceeded that goal in 1982, adding 520. At the end of the year, 7,259 McDonald's were in operation: In the U.S., 5,918, and 1,341 in 30 foreign countries and territories. Company officials remained confident it can stick to the 500-per-year growth rate for at least the next decade.

Much of that growth should continue to occur overseas. In 1982, McDonald's opened its 500th restaurant in the Pacific, its 400th in Canada and its first in Malaysia. The 350th store in western Europe opened early in 1983, and management told stockholders to expect the opening of two McDonald's in Yugoslavia in 1984.

Accustomed to being a marketing innovator, McDonald's was forced into the role of reactor and put on the defensive frequently in 1982. On Sept. 27, the No. 2 hamburger chain, Pillsbury's Burger King, launched a massive comparative campaign claiming its Whopper beat the Big Mac and Wendy's single hamburger in consumer taste tests. Other spots in the campaign claimed that McDonald's and Wendy's fry their hamburgers while Burger King broils its burgers. Still other spots claimed McDonald's hamburger contained 20% less meat than Burger King's (without mentioning, McDonald's claimed, that Burger King's product was more expensive).

Even before the campaign aired, McDonald's was in a Miami U.S. district court seeking a restraining order against use of the tv spots. Charging that the advertising was "false and misleading," McDonald's asserted that its product was not prepared as conveyed in the spots. Further, it charged that no mention was made that "Burger King burgers are often steamed and then reheated or warmed in microwave ovens before sales to consumers." The injunction ultimately was denied.

On Oct. 29, all three parties reached an out-of-court settlement on the matter under which Burger King agreed to phase out the campaign. But while the spots referring to Wendy's did disappear, the "Whopper beat the Big Mac" commercials continued to run until the end of the year. Subcampaigns for Burger King included a "video coupon" and a spot giving Christmas greetings from Burger King to McDonald's.

Burger King's advertising attack on McDonald's market share caught the No. 1 chain at a vulnerable time. McDonald's ad awareness level as measured by ADVERTISING AGE's ad-Watch survey steadily declined during the summer (from being named most memorable fast-food advertiser by 49.2% in June to 39.9% in August), but recovered slightly to 45.6% in September. In October, after the Battle of the Burgers began, McDonald's rating dipped to 35.6%. Burger King's awareness level, below 10% throughout the summer, soared to 24.1% in October.

But even while the battle raged, sales for all three of the combatants rose. The bottom line to the controversy was that it raised awareness for the whole category.

The Battle of the Burgers was only the most widely publicized part of another busy marketing year for McDonald's. The company continued its traditional mix of a heavy network and local tv presence with in-store promotions.

The first 1982 creative from Leo Burnett USA, which replaced Needham, Harper & Steers as national agency in October, 1981, continued the "You deserve a break" theme NH&S had revived before the agency change. New spots in the spring maintained the "slice-of-life" ad style McDonald's has perfected.

Advertising focusing on brand loyalty—what the company calls the "McDonald's experience"—continued throughout the year. Even when the theme became "Together, McDonald's & You" early in 1983, the "food, folks and fun" message remained the same. The focus narrowed more in the spring and summer of 1983, when increasing competition pushed McDonald's to a stronger emphasis on its menu offerings.

The promotion lineup featured the stamp-saver "Quality in the bag" game in the spring of 1982, and the "Taste the thrill of Atari" scratch-card game in the fall. For children there was a series of "Happy Meal" promotions that offered such educational premiums as Little Golden Books. A Playmobile toy premium offer was withdrawn after concerns were voiced about safety.

McDonald's changed its promotion strategy in the first half of 1983, conducting a series of regional games and sweepstakes in selected markets instead of nationally. That allowed the company to concentrate network marketing dollars on blunting the impact of continuing ad assaults by Burger King and Wendy's. The "Camp Snoopy" glass premium promotion in July, 1983, was the company's first real national promotional effort this year.

The company surprised the marketing community late in July when it unveiled corporate-image commercials featuring actor John Houseman as its first advertising spokesman.

Some problems continued to surface with McDonald's new menu products. By yearend, it was clear McNuggets were a success, McChicken was in trouble. The sandwich was gone from all units by early 1983, a second new-product misfire for McDonald's, which pulled its Chopped Beefsteak sandwich from the market in 1981.

A third possible member of that list is the McRib sandwich, launched in June, 1981, with mixed results. At the company's 1983 stockholders meeting, chief operations officer Edward Rensi said the jury was still out on McRib, but by mid-summer the product's future looked bleak.

Undaunted by this shaky new-product performance, McDonald's in July began testing a croissant variation of its Egg McMuffin (one of its most successful new products of the past). Initially tested in Rockford, Ill., the croissant sandwich was positioned as a lunch rather than breakfast item.

McDonald's continued its financial strategy of reinvesting profits in existing operations. In 1982, 240 operating stores and 371 new stores were given drive-thru windows, bringing to 5,093 (or 85% of freestanding units) the number with drive-thrus. An additional 554 McDonald's Playland facilities for children were added in 1982. Both the drive-thrus (which account for an average 40% of sales where included) and the Playlands have proven to be successful sales boosters for the chain.

Two of McDonald's top marketing personnel left the company in the past year. Roy Bergold, who served as assistant vp-advertising, joined the creative department of McDonald's agency, Leo Burnett USA, in June, 1983, after earlier indicating he would be joining Needham, Harper & Steers, the chain's previous agency. He was succeeded by Richard Starmann.

Commmunications vp Raymond Caruso left McDonald's in December, 1982. This past March he joined the Red Lobster restaurant chain as vp-marketing.

Scott Hume

ADVERTISING EXPENDITURES

	1982	1981
Magazines	$878,100	$175,900
Spot tv	94,156,000	75,272,400
Network tv	59,875,900	54,129,700
Spot radio	2,138,400	1,632,000
Network radio	1,717,500	3,255,400
Outdoor	4,142,900	3,682,800
Total measured	162,908,800	138,148,200
Unmeasured	102,633,500	92,100,000
Estimated total	265,542,300	230,248,200

Marketing Personnel

Paul D. Schrage, exec vp-chief mktg officer
William P. Youngclaus, vp-mktg
Richard G. Starmann, vp-communications
Tom Gruber, vp-international mktg
Ron Miessler, asst vp-director, creative svcs
David B. Green, asst vp-director, natl mktg
Chuck Rubner, director-corp communications
Emil Teri, director-field mktg
Sandy Silver, director-natl mktg
Court Kenaston, director-natl mktg
Kathy Henry, director-natl sales promo
Robert Lins, creative director
Don Lorr, director-mktg intelligence
Jim Rand, director-mktg development

Advertising Agencies

Leo Burnett, Chicago—John Miller, senior vp-client service director; John Maruskin, vp-acct director; Mike Allen, vp-acct super; Bob Heller, vp-acct super, adults; Bob Hunderfund, vp-acct super, youth; Ed Sessions, vp-int'l acct director; Ron Smillie and Gil Mickels, vp-acct super, field mktg.

Burrell Advertising, Chicago—Black consumer mktg.

Conill Advertising, New York—Hispanic consumer mktg.

Golin/Harris Communications, Chicago—pr.

Frankel & Co., Chicago—Sales promo.

Simon Marketing, Los Angeles—sales promo consultant.

TOP
25
Network
television
advertisers

Rank	Advertiser	Expenditures
[illegible]	Procter & Gamble	[illegible]
[illegible]	General Foods Corp.	[illegible]
[illegible]	General Motors Corp.	[illegible]
[illegible]	American Home Products	[illegible]
[illegible]	Ford Motor Co.	[illegible]
[illegible]	Johnson & Johnson	[illegible]
[illegible]	Unilever U.S.	[illegible]
[illegible]	Philip Morris Inc.	[illegible]
[illegible]	Bristol-Myers Co.	[illegible]
[illegible]	Sears, Roebuck & Co.	[illegible]
[illegible]	Anheuser-Busch Cos.	[illegible]
[illegible]	AT&T Co.	[illegible]
[illegible]	General Mills	[illegible]
[illegible]	Coca-Cola Co.	[illegible]
[illegible]	Ralston Purina Co.	[illegible]
[illegible]	Warner-Lambert Co.	[illegible]
[illegible]	PepsiCo Inc.	[illegible]
[illegible]	Warner Communications	[illegible]
[illegible]	Gillette Co.	[illegible]
[illegible]	Pillsbury Co.	[illegible]
[illegible]	Chrysler Corp.	[illegible]
[illegible]	Beecham Group Ltd.	[illegible]
[illegible]	Nabisco Brands	[illegible]
[illegible]	Sterling Drug	[illegible]
[illegible]	Eastman Kodak Co.	[illegible]

Source: Net time and program costs from Broadcast Advertisers Reports and supplied to Leading National Advertisers.

Miles Laboratories

	1982	1981
Sales	$1,075,600,000	$767,606,000
Earnings	(800,000)*	1,465,000
Advertising**	73,200,000	72,084,900

*(Loss)
**AA estimate

Miles Laboratories, Elkhart, Ind., a subsidiary of Bayer AG of Leverkusen, West Germany, was the 77th largest advertiser in 1982, spending an estimated $73.2 million on advertising, a slight increase over 1981's total of $72 million.

In 1982, sales rose by 4% over 1981 to $1.076 billion. The company, however, experienced a net loss of $800,000 due in part to discontinued operations.

As a result of a merger with another Bayer AG property, Cutter Laboratories, in January, Miles now markets products through five operating groups: Miles consumer products group, Miles professional products group, Miles biotechnology group, Miles pharmaceuticals and the Cutter group. Miles disposed of Worthington Foods and Morningstar Farms during the year.

The consumer products group is composed of the consumer healthcare and household products division. Miles markets children's and adult's vitamins under the brand names One-A-Day, Flintstones and Bugs Bunny. Alka-Seltzer, Alka-Seltzer Plus, Alka-2, Bactine and Miles Nervine are the company's home health remedies.

Among these products, measured media support for Alka-Seltzer declined 20.8% to $12.8 million. Alka-Seltzer Plus cold tablets increased 14.4% to $5.6 million.

Advertising for Bactine hydrocortisone cream, devoted strictly to network tv, rose 15% to $1.27 million.

In keeping with the general mood of expansion, the company introduced "Enriched singles" and Vitapace—a two-layered product to deliver B complex and C vitamins. To consolidate the nationally advertised Miles vitamin brands, all One-A-Day advertising was shifted from J. Walter Thompson USA in New York to Chicago-based Tatham-Laird & Kudner, which has been handling Bugs Bunny and Flintstones vitamins.

In January, Rexall launched Pac-Man children's multivitamins with the ad theme: "Goodbye Fred, hello Pac-Man," a direct reference to Miles' Flintstones vitamins, which claim more than 30% of the $80 million category. Flintstones responded by introducing Flintstones Complete vitamins,

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with iron, calcium and minerals. The plan, which began last February, included a $4.5 million budget for daytime and prime time tv. Couponing was included in the plan.

In addition, Miles followed through on its plan to spend $10 million promoting vitamins in 1982. Advertising for One-A-Day vitamins increased 68% to $10.5 million, its network tv ad spending almost doubling.

The household products division encompasses S.O.S cleaning products and Cutter insect repellents. In January, the former Cutter Consumer Products Group was merged into Miles Household Products Group division following the merger of Miles and Cutter Laboratories.

Miles shifted Cutter advertising to TLK. Spending for the product more than doubled, to $681,500.

Ad spending for other household products fluctuated. While S.O.S soap pads went from $1.3 million to $3.85 million, S.O.Ezy soap pads fell from $1.8 to $332,800.

In the Biotechnology Group, sales of enzyme products increased largely due to increased demand for enzymes used in the production of ethanol for premium no-lead gasoline, and a new enzyme plant in Elkhart was completed for the production of high-volume industrial enzymes.

Miles Pharmaceuticals expanded its business in 1982 with Food & Drug Administration approval of three new prescription drugs, placing the company among the leaders within the U.S. prescription drug business in the number of new drugs approved.

They were Azlin (azlocillin), a semisynthetic penicillin; Niclocide (niclosamide), for the treatment of tapeworm infestations, and Biltricide (praziquantel). Also approved by the FDA was the first antiparasitic effective against all forms of schistosomiasis (snail fever).

Kristin Blom

ADVERTISING EXPENDITURES

	1982	1981
Newspapers........	$86,200	$14,600
Magazines........	4,225,500	3,030,400
Spot tv...........	4,629,100	5,655,800
Network tv........	35,219,700	34,491,200
Spot radio........	—	51,100
Network radio.....	—	444,600
Outdoor..........	8,300	—
Total measured..	44,168,800	43,687,700
Unmeasured....	29,031,200	28,397,200
Estimated total..	73,200,000	72,084,900

CONSUMER PRODUCTS GROUP

Marketing Personnel

G.E. Davy, corp exec vp

CONSUMER HEALTHCARE DIVISION

Marketing Personnel

F.E. Gustafson, president
S.M. Reim, vp-mktg, nutritional and medicinal prods
M.B. Streicker, vp-mktg
J.W. Howell, natl sales mgr
M.F. Niedorff, vp-intl mktg

Advertising Agencies

Wells, Rich, Greene, New York—Alka-Seltzer, Alka-Seltzer Plus, Alka-2, new prods—Walter Holden, senior vp-group head.

Tatham-Laird & Kudner, Chicago—One-A-Day vitamins, Bactine, Nervine, Bugs Bunny, Flintstones vitamins, new prods—Timothy Collins, senior partner.

Clifford A. Botway Inc., New York—network tv and radio buying—Clifford A. Botway, chairman; Edward Kobza, president.

Boger, Martin, Fairchild & Co., Elkhart, Ind.—overseas military and trade advertising.

Sieber & McIntyre, Chicago—medical/professional advertising.

Kallir, Philips, Ross, New York—medical/professional advertising.

Conill Advertising Associates, New York—Hispanic advertising.

HOUSEHOLD PRODUCTS DIVISION

Marketing Personnel

J.W. Grant, president
H.G. Fitts, vp-household prods operations
R.R. Rowe, natl sales mgr

Advertising Agencies

Doyle Dane Bernbach, New York—S.O.S and S.O.Ezy soap pads, S.O.S oven cleaner, new prods—A. Kopelman, group senior vp; R. Luik, group vp; I. Grindlinger, vp-acct super.

Tatham, Laird & Kudner, Chicago—Cutter insect repellent—Tom Keith, mgmt super.

BIOTECHNOLOGY GROUP
BIOTECH PRODUCTS

Marketing Personnel

R.J. McGrath, president
H.C. Stalter, vp-mktg
E.L. Frey, director, intl
J.C. Bakos, director, intl mktg (citric/citrates)
N.D. Hupp, director, intl mktg (enzymes)
F.V. Coglianese, director of sales (citric/citrates)
W.G. Allen, director of sales and tech service (enzymes)
R.G. Clark, mgr-mktg services (nonfood)
D.O. Maylath, mgr, mktg services (food & beverage)
W.E. Irwin, director, tech service and applied rsch (citric/citrates)
A.C. Lauria, mgr, customer services

MARSCHALL PRODUCTS

Marketing Personnel

V.W. Christensen, president
V.G. Rowley, vp-mktg, intl
K.J. Woldt, sales mgr
R.A. West, mgr-new prod devel
D.G. Whitehead, mgr-tech service
R.I. Farrow, mgr-European mktg

Advertising Agencies

Stephen & Brady, Madison, Wis.—Hugh Brady, president; Greg Brady, vp-acct super; Pamela Black, acct super; Matt Joyce, acct exec.

Ash Advertising, Elkhart, Ind.—citric/industrial—J.B. Ash, president.

Juhl Advertising Agency, Elkhart, Ind.—citric/food ingredients—Bruce Cashbaugh, acct exec.

PROFESSIONAL PRODUCTS GROUP

Marketing Personnel

J.H. Rosloff, corp exec vp

AMES DIVISION

Marketing Personnel

R.D. Falb, president
J.W. Duncan, exec vp-mktg and business unit mgmt
J.T. Mulgrew, director-business unit chemistry systems
H.L. Drye, director-business unit diabetes systems
T.C. Collatz, director-business unit urine systems
R.H.J. Wakeling, director-intl mktg
P.E. Doherty, director-mktg services-U.S.
J.J. Lavery, director-sales-U.S.
J.A. Best, mgr-diabetes mktg
M.M. Walters, mgr-diabetes adv

Advertising Agencies

Deltakos USA, div J. Walter Thompson, New York—new diabetes prods—Wesley R. Hostetler, vp-acct super.

Abelson-Taylor, Chicago—clinical/hospital prods—Dale Taylor, exec vp; Ed Kozel, acct exec.

Goble & Associates, Chicago—dealer promos, media—Ed Goble, president; Jackie Fitzgerald, acct exec.

Gross/Townsend/Frank, New York—physician/pharmacy prods—Alan Gross, president.

MILES SCIENTIFIC

Marketing Personnel

V. Esposito, president
A.C. Marotti, vp-sales/mktg
J.L. Ogle, director-mktg
J.W. Williams, director-sales
J.V. Thomas, director-mktg services
J.F. Cummiskey, mgr-tech services
R.M. Koziol, mgr-customer services
J.T. West, mgr-mktg communications
S. Johnson, super-mktg communications

Advertising Agencies

Noble Arnold Associates, Chicago—Noble Arnold, president.

Ash Advertising, Elkhart, Ind.—Virginia Dorn, acct exec.

MILES PHARMACEUTICALS GROUP

Marketing Personnel

R.W. Buell, corp exec vp

PHARMACEUTICALS DIVISION

Marketing Personnel

R.N. Engle, director-sales
C.D. Webb, director-prod mgmt
R. Yvars, mktg services mgr
W.J. Isbell, mgr-mktg communications

Advertising Agencies

Medicus-Intercon, New York—John Ibelli, acct super.

Carrafirello & Diehl Associates, Tarrytown, N.Y.—Mycelex line—Anthony Bennett, acct super.

HOLLISTER-STIER DIVISION

Marketing Personnel

M.W. Giboney, president
G.F. Edwards, vp-mktg
R.R. Regel, group prod mgr
C.B. Cornell, natl sales mgr
E.T. Hamilton, adv mgr

Advertising Agencies

Ad Clinic, Spokane, Wash.—Chuck Anderson, Doug Hurd, principals.

CUTTER GROUP

Marketing Personnel

W.F Schaeffler, corp exec vp

BAYVET

Marketing Personnel

J.C. DeCesare, genl mgr
G.R. Zimmerman, vp-mktg
J.C. Clark, director-sales
L.S. Beatty, adv mgr

Advertising Agencies

Miller-Meester Advertising, Minneapolis—reproductive hormones—Rick Cooper, acct exec.

Richardson, Myers & Donofrio, Baltimore—small animal products—Cy Haladay, acct exec.

CUTTER BIOLOGICAL

Marketing Personnel

J.D. Ryan, vp-genl mgr
C.F. Patrick, mktg mgr
W.G. Johnson, director-sales

Advertising Agencies

Rolf Werner Rosenthal Inc., New York—Cutter's new exclusive intravenous immune globulin preparation, immune serum globulin prods—Pearl Winestock, acct group super; Virginia Otis, acct exec.

Gross/Townsend/Frank, New York—coagulation therapeutic and blood mgmt prod lines—Jane Townsend, mgmt super; Edith Pargh, acct super.

CUTTER MEDICAL

Marketing Personnel

V. Schalson, vp-genl mgr
B.L. Krause, natl sales mgr
B. McMahon, mktg services mgr

Advertising Agencies

Pro-Clinica, New York—clinical nutritional prods—Mel Snyder, acct exec.

Rainaldi-Bowles, San Francisco—i.v. equipment—Jay Kerzner, acct exec.

CUTTER BIOMEDICAL

Marketing Personnel

T.J. Leverte, group vp-genl mgr
L.J. Barnette, director-mktg
J.G. King, natl sales mgr

Advertising Agency

Micom Associates, San Francisco—Garrett Lawrence, acct exec.

CUTTER DENTAL

Marketing Personnel

T.J. Leverte, genl mgr
W.T. Anderson, director-mktg
A.N. Package, prod mgr

Advertising Agency

Robinson-Clark, San Francisco—advertising, scheduling and devel, pkg—Carol Robinson, ceo; Richard Clark, president.

Mobil Corp.

	1982	1981
Sales.........	$64,137,000,000	$68,587,000,000
Earnings......	1,380,000,000	2,433,000,000
Advertising*..	320,000,000	293,103,200

*AA estimate

Mobil Corp., the 11th largest national advertiser, increased its ad spending 9.2% in 1982 to $320 million from $293.1 million in 1981.

Worldwide sales for the New York-based company fell 6.5% to $64.14 billion in 1982, while earnings fell 43% to $1.38 billion. Declining earnings were partially offset by a switch to the LIFO (last in, first out) method of accounting for its foreign inventories, which contributed an additional $220 million to earnings in 1982.

Mobil's first-half net earnings in 1983 jumped 23% to $652 million, reflecting lower Mideast crude oil prices and improvements in worldwide refining and marketing operations.

While the energy giant increased its over-all advertising budget in 1982, partly because of intensified advertising efforts of Montgomery Ward & Co., its retailing subsidiary, it cut back 20% in measured media spending to $48.3 million, according to Leading National Advertisers.

The company held spending for general corporate promotion steady at about $5.6 million in 1982. The op-ed page series of advertorials appear in nine daily newspapers and in the *Oil Daily, Economist* and *Time*, while the "Observations" series runs mainly in Sunday supplements.

The company also continued to maintain high corporate visibility through extensive underwriting and sponsorship programs.

For instance, early in 1983, the Mobil Showcase aired "The Life and Adventures of Nicholas Nickleby." The company spent more than $1 million promoting the special and also contributed $1.4 million to its production costs. Mobil's total spending for its involvement with "Nickleby" was $6 million, and while ratings for the critically acclaimed program exceeded expectations, in terms of cost-per-thousand it was perhaps one of the most expensive advertising buys for a tv production ever.

Also in 1982, the company, along with WGBH-TV in Boston, acquired U.S. tv rights to 47 hours of programing produced in England by Granada Television, including "The Sherlock Holmes Stories," a 13-part series to be telecast in the 1983-84 season.

Another development drew substantial fanfare for Mobil in 1982: The $2.1 million award to Mobil Corp. president William Tavoulareas, in a libel judgment against the *Washington Post*, which reported he had used his position at Mobil to establish his son in business. That award was overturned later in the year, but the jury's initial ruling against the *Post* sparked a lively exchange between Mobil ads and editorial writers.

In a change in its organizational structure made late in 1982, Mobil Corp. formed two major operating units. Mobil Oil, which will run traditional oil- and gas-related activities, is headed by president Allen Murray, formerly president of Mobil Oil Corp.'s marketing and refining division. Richard Tucker was named president of Mobil Diversified Businesses. Mr. Tucker had been responsible for chemicals, paperboard packaging and corporate research and engineering.

Earnings from Mobil's petroleum operations totaled $1.72 billion in 1982, or $963 million less than the previous year. (Earnings from energy operations are measured before corporate expenses and other items, hence they are actually more than Mobil Corp.'s total earnings.)

Worldwide net crude oil and liquids holdings increased 3.4% in 1982, and total capital outlays for global exploration and producing reached a record $3.6 billion.

In 1982, the company's technologically advanced Statfjord B platform began production, and its completion strengthens Mobil's already strong presence in the very rich fields of the Norwegian North Sea.

Another platform, Statfjord C, is now under construction, and is expected to be completed by the end of 1985. All three Statfjord platforms—including Stratford A—are expected to reach their peak at the end of the 1980s, and the company anticipates production of 590,000 bbls. daily.

Mobil spent $4.4 million advertising gasoline in 1982, all in spot tv. Mobil motor oils received $3 million in measured media in 1982, down from $3.5 million a year earlier.

The company also expanded its test of a 4-cents-per-gal. discount for cash purchases to include the Southeast, mid-Atlantic, Kentucky, Ohio and West Virginia. Unlike competitors, including Exxon, Mobil does not specifically support its two-tiered pricing with advertising.

The company also began testing card-activated automated gas pumps at 22 stations in the Kansas City area. The computer terminals on the pumps are connected by a special telephone network to Mobil credit headquarters, also in Kansas City.

In the diversified businesses division, earnings from worldwide chemical operations were down 78% in 1982 to $20 million. The company attributed the decline to general economic weaknesses in the petrochemical, phosphate rock and plastics industry, as well as development of a petrochemical complex in Saudi Arabia.

Mobil Chemical Corp.'s Hefty plastic tall kitchen bags were supported by $8.1 million in 1982, compared with $3.3 million in 1981. Hefty plastic trash can liners, however, received only $3.4 million in 1982, down 57%. Ad spending for the entire Hefty line was up 8% in 1982, to $13.2 million.

Montgomery Ward, Mobil's troubled retail merchandising company, saw some bluer skies than in previous years. In 1982, it cut its losses to $93 million, compared with a loss of $160 million in 1981 and a loss of $162 million the year before.

Ward has centralized its advertising activities and is targeting younger, more affluent consumers. While measured spending was more than halved in 1982, to $9.2 million, industry sources put total advertising for Ward, which has increased its use of preprinted inserts, at more than $180 million.

Four stores were closed, as well as two catalog distribution centers. Four full-line stores were opened in 1982, bringing total Ward's units to 389.

Jefferson Ward's, a discount subsidiary, now has 51 stores.

Sarah Stiansen

ADVERTISING EXPENDITURES

	1982	1981
Newspapers........	$8,046,100	$8,534,000
Magazines.........	6,181,200	2,740,100
Farm publications..	—	1,454,000
Spot tv...........	20,497,500	33,641,500
Network tv........	9,808,000	11,339,800
Spot radio........	3,695,200	2,597,800
Outdoor..........	40,300	88,100
Total measured..	48,268,300	60,395,300
Unmeasured....	271,731,700	232,708,000
Estimated total..	320,000,000	293,103,200

CORPORATE PUBLIC AFFAIRS PERSONNEL

H. Schmertz, vp
J.B. Merrell, genl mgr

Marketing Personnel

Marketing & Refining Division

R.L. Abbott, vp-genl mgr, mktg
H. Hokamp, genl mgr, resale mktg
R.J. McCool, genl mgr, commercial mktg
K.C. Esty, genl mgr, mktg services
A.G. Spiess, adv mgr

Advertising Agencies

Doyle Dane Bernbach, New York—Mobil consumer and public affairs advtg—Larry Iannuzelli, group senior vp; W.F. Mattes, vp-acct super; Anne Oliver, acct super; Barbara Best, acct exec; Les Allison, acct exec.

Creamer Inc., New York—Mobil commercial adv—F.J. Dixon, acct super. Chicago—Mobil farm adv—Ron Horstman, acct super.

Martin Agency, Richmond, Va.—Mobil specialized resale adv—Tom Robinson, acct super; Pete Watson, acct exec.

MOBIL CHEMICAL

Marketing Personnel

Plastics Division, Consumer Products Department

P. Luchsinger, vp-mktg and sales
M.L. Sweeney, mgr-mktg services
A. Ferrari, bus mgr, bags
R. Cauffman, bus mgr, disposables

Packaging Department

R. Sax, mgr-graphics communications
L. Boudens, mkt devel mgr, industrial films
G. Auth, prod mgr, food prods
D. Galbraith, prod mgr, institutional prods

FILMS DIVISION

Design Products Department

E. Simpson, prod mgr

Commercial Films Department

J. Murphy, prod mgr

Advertising Agencies

Ted Bates Advertising, New York—consumer prods, Hefty bags, Hefty disposable prods, Baggies—Don Ashley, vp.

Conklin Labs & BeBee, Syracuse—films division design prods—Thomas Colligen, president.

Gordon Bailey Associates, Stone Mountain, Ga.—institutional prods—Joe Skillen, acct exec. Industrial films—Ron Strauss, acct exec.

Hutchins/Young & Rubicam, Rochester, N.Y.—commercial films dept—Larry Smith, acct exec.

MONTGOMERY WARD & CO.

Marketing Personnel

D. Snell, vp-ad & sales promo
C.P. Brewster, media director

Advertising Agencies

Media Bureau International, Chicago—Richard Pickett, president; Norma Wren, vp.

CONTAINER CORP. OF AMERICA

Marketing Personnel

L. Ruhmann, vp design & mktg
R. Best, mgr-corp mktg communications

Advertising Agency

CPM Inc., Chicago—Norman Goldring, president.

Philip Morris Inc.

	1982	1981
Sales.........	$11,716,100,000	$10,885,900,000
Earnings......	781,800,000	659,700,000*
Advertising**..	501,694,700	432,971,400

*Restated
**AA estimate

Philip Morris Inc., New York, the fifth largest advertiser in the U.S., increased its advertising by 16% to an estimated $501.7 million in 1982 from $432.3 million in 1981.

Consolidated sales of the tobacco, beer and soft drink marketer were up 7.6% to $11.7 billion from $10.9 billion in 1981. Earnings totaled $781.8 million during the year, an 18.5% gain over 1981.

The company's cigaret unit sales were up, increasing its share of the market, while sales volume for its Miller Brewing Co. unit were down.

For the first half of 1983, operating revenues were up 11.3% over the same period in 1982, increasing to $6.5 billion from $5.9 billion. Net earnings increased 13.7% to $406.2 million from $357.1 million during that period.

In 1982, Miller Brewing Co., Milwaukee, after two years of declines, experienced a 37.3% increase in operating income to $158.8 million. Over-all, Miller increased its operating revenue 3.2%, although shipments declined 2.5%.

That Miller experienced decreasing shipments was not surprising. In 1982, the U.S. brewing industry as a whole registered its first nongrowth year in 25 years. Miller's total beer shipments declined to 39.3 million bbls. in 1982 from 40.3 million in 1981, and its market share dropped to 21.9% last year from 22.5% in 1981. The premium Miller High Life brand alone experienced a 10% decline in shipments. The company blamed the decline on the recession, saying that beer drinkers had "traded down" to lower-price products. Industry observers attributed the decline, in part, to increased marketing aggressiveness of industry rivals, primarily Anheuser-Busch.

Nonetheless, Miller's two other major brands did show increases. Lite, the third-largest seller among all brands, continued its dominance of the low-calorie segment, and superpremium Lowenbrau managed to achieve a slight sales increase.

Attempting to turn things around, Miller revamped its "Miller Time" campaign. Instead of picturing people relaxing, participants are now shown dancing, shooting pool or playing cards, with Miller High Life a more integral part of active life styles. The tv commercials also are no longer restricted to sports programing; they are now seen on a variety of prime time programs. Miller also increased spending on outdoor boards and in radio, newspaper and magazine advertising.

According to Leading National Advertisers, spending or High Life increased 29% to $48.4 million from $37.5 million in 1981. LNA charted Lite's increase at 30%, up to $44.5 million from $34.1 million.

Unlike the beer category, Philip Morris' fortunes in tobacco rubbed against the grain. Although U.S. cigaret industry sales were flat, Philip Morris USA, the company's largest operating unit, increased unit sales 2.5% to 204.4 billion. In addition, the company's share of the market moved to 32.8%, up from 31.8% in 1981 and just a hair's breadth behind the market leader, R.J. Reynolds Tobacco Co. Operating revenues were up 15.1% over 1981, while operating income increased 21.6%.

Marlboro, the nation's No. 1 selling cigaret brand, set all-time sales records, according to the company, with sales of 119.6 billion units, or 19.2% of the total U.S. cigaret market. Marlboro Lights continued to grow, accumulating a 5.2% share of the U.S. market.

PM's ad spending on its Marlboro brand increased slightly in 1982. According to Leading National Advertisers, spending on Marlboro filters was up 5% to $13.7 million. Spending on Marlboro filter king 100s was up 3% to $15.6 million.

The company's gains, as reflected by Marlboro's sales, were achieved in a marketplace that was anything but stable. Poor economic conditions, combined with numerous state excise tax increases and a major inventory liquidation by wholesalers trying to reduce the effect of the federal excise tax increase on their inventories, resulted in another impediment to profitability for the industry.

Philip Morris International's operating revenues and operating income were up 4.8% and 12.5%, respectively, with profits at a record level, even though unit sales declined 2.7% to $242.7 billion largely because of excise tax increases in a number of markets.

During the past year, PM has moved to attract the sophisticated and upscale smoker with the introduction of two cigaret brands that feature stylish advertising and fancy packs selling at regular prices.

In February, PM began testing Players, a 100mm smoke. In the second quarter it introduced Players king-size select blend and special menthol. July brought Players 100s regular and menthol. The cigarets come in a black box with the brand name in gold script lettering. The company spent between $50 million to $60 million on the Players introduction. PM executives maintain that Players is twice as successful as its popular Merit brand was at the same point in development, based on market share, awareness and repeat purchases.

The other introduction of a "classy" cigaret came in early 1982, when the company launched Benson & Hedges De Luxe Ultra Lights. Packaged in a silver-and-gold box sporting a crest and lined with embossed foil, the brand pulled a respectable 1% market share.

The Seven-Up Co., PM's soft-drink subsidiary, had an increase of 22.8% in operating revenues in 1982, exceeding $500 million for the first time. But the cost of bringing new products to market led to an operating loss of $1.2 million. Full-year sales increases for 7UP were the largest in 13 years. According to LNA, PM's advertising expenditure for 7UP was down slightly to $19 million from $23 million in 1981. The soft drink was promoted through a "No caffeine" campaign, which led to immediate sales and market share gains and the eventual introduction of caffeine-free colas by Pepsi-Cola and Coca-Cola.

In addition, PM launched Like cola in test markets in April, 1982. Like is now available in more than 40% of the U.S. market.

Seven-Up's food products division began testing Goodbody Snacks Fruit Crisps, its first food product for general retail distribution. The product is a two-line item of all-natural, freeze-dried, sliced fruit packed in foil packages.

The company prides itself on its social activities, and 1982 marked the 25th year of its arts' sponsorship program. A $3 million grant helped underwrite the landmark U.S. exhibition tour of "The Vatican Collections: The Papacy and Art" in New York, Chicago and San Francisco.

Robert Raissman

ADVERTISING EXPENDITURES

	1982	1981
Newspapers.......	$83,793,800	$90,602,700
Magazines........	130,094,300	102,835,100
Spot tv...........	34,446,000	20,052,600
Network tv........	110,845,000	99,558,800
Spot radio........	22,677,600	18,113,200
Outdoor..........	50,538,000	41,809,000
Total measured..	432,394,700	372,971,400
Unmeasured....	69,300,000	60,000,000
Estimated total..	501,694,700	432,971,400

TOBACCO PRODUCTS DIVISION

Marketing Personnel

William I. Campbell, exec vp-mktg
James L. Thompson, vp-media
Robert A. Fitzmaurice, vp-brand and promo
Albert J. Bissmeyer, vp-merch
Hawes B. Coleman Jr., vp-field sales
Robert H. Cremin, vp-sales
John J. Gillis, vp-natl acct
John J. Jeb Lee, vp-mktg services
Thomas R. Keim, group director-brand mgmt
Vincent J. Buccallato, group director-brand mgmt
Jon N. Zoler, director-mktg rsch
Ellen Merlo, director-mktg communications
William K. Cutler, director-merch materials
Vincent J. Weiner, director-special promo and production
Robert P. Roper Jr., brand mgr-Marlboro
Richard L. Stirlen, brand mgr-Merit
Lawrence E. Wilson, brand mgr-Benson & Hedges
Howard Goldfrach, brand mgr-Virginia Slims
Robert F. Tracey, brand mgr-Parliament Lights
Alysia J. Cohen, brand mgr-Players
Jack W. McAuley, mgr-brand programs, Marlboro
Cathy L. Lieber, mgr-brand programs, Virginia Slims
Cathy M. Gillis, mgr-brand programs, Merit
Claude A. Beck, director-media

Advertising Agencies

Leo Burnett USA, Chicago—Marlboro, Merit, Virginia Slims, Cambridge, Saratoga—Hall Adams Jr., ceo; William Engelbrecht, senior vp-client service director; Peter Volz, vp-acct super-Marlboro, Saratoga; Paul Driggs, vp-acct super-Virginia Slims, corporate, trade; Peter R. Metz, vp-acct super-Merit, Cambridge; Thomas A. Dudreck, acct exec-Marlboro, trade; Arthur McCul-

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- A[illegible] [illegible]ete summary of Ad Dollars from the PIB Service, BA[illegible] Broadcast [illegible] LNA Outdoor. The official industry figures pre[illegible] for [illegible]A, TVB, RAB, OAAA used by every [illegible] and their advertising agencies.

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State Zip

len, acct exec-Merit; Ray Pokorny, acct exec-Virginia Slims; R. Ross Harris, acct exec-Cambridge, Saratoga; Ted L. Simon, acct exec-new prods.

Wells, Rich, Greene, New York—Benson & Hedges, Players—David Bulleit, senior vp-acct group head; Jayne Eastman, senior vp-mgmt super; Vince Minicucci, senior vp-mgmt super; Robert A. Rosenthal, acct exec-Benson & Hedges; Nancy Brennan, Harry Kannar, acct execs-Players; Arnold Weinrib, senior vp-mktg director.

Doyle Dane Bernbach, New York—Parliament—Peter Tate, senior vp-mgmt super; Ella Kelley, vp-acct super; Fern Segerlind, Sandra Maryniak, acct execs.

MILLER BREWING CO.

Marketing Personnel

Lauren S. Williams, exec vp
William S. Catlin, vp-brand mgmt
Bob Toledo, group prod director
Douglas E. Rogers, brand mgr, Miller High Life
W.H.(Barry) Barrett, brand mgr, Miller High Life
Jerry F. Schmutte, brand mgr, Lowenbrau
Victor Imbimbo, brand devel mgr, Calgary
Sam Frank, brand devel mgr, Miller Special Reserve
Michael Boykin, brand mgr, Magnum malt liquor, Meister Brau
Leonard Goldstein, vp-sales

Advertising Agencies

Backer & Spielvogel, New York—Miller High Life, Lite, Lowenbrau—Miller High Life: Jeff Palmer, senior vp-group mgmt rep; Constantine Scaros, vp-mgmt super; Randy Windschitl, vp-acct director, Peter Smaha, Michael Russell, acct execs. Lite: John Griswold, vp; Howard Sherman, acct exec. Lowenbrau: Ed Keating, vp-acct director; Vince Falcone, acct exec. David Stein, vp-acct director, Magnum, new prods; Larry Spagnola, acct exec, Meister Brau.

Mingo-Jones, New York—Miller High Life, Lite, corporate adv—Frank Mingo, president; Caroline Jones, exec vp-creative; Wendell Crosswhite, senior vp-genl mgr; Sam Chisolm, vp-mgmt super; Alan Corwin, Michael Randazzo, Sam Reed, vps, assoc creative directors; Ken Gilbert, acct exec, Lite; Thom Jones, acct exec, Miller High Life; Charles Stanley, media director.

SEVEN-UP CO.

Marketing Personnel

Charles W. Schmid, vp franchise
Wilson F. Fowle, vp-mktg
Ralph L. Countryman Jr., vp-media services
David L. Smith, vp-creative
Richard E. White, director mktg-7UP brands
Brian H. Schuyler, director, mktg-new/allied brands
Anthony J. Rebello, director-foodservice products

Advertising Agency

N W Ayer, New York—7UP, Diet 7UP, Like—Clark Hine, senior vp-acct director; Joseph Harte, senior vp-mgmt super; Lauren Tucker, vp-acct super, 7UP; Leonard W. Stabile III, vp-acct super, Diet 7UP; Keith Gould, senior vp-exec creative director. Elin Jacobson, vp-creative super; Frank DeFilippo, senior vp-creative super, Diet 7UP; John F. Astarita, acct super-7UP field force; Kenneth J. McCarren, vp mgmt super, Like cola; Richard A. LeFurgy, vp-acct super, Like cola; John Walsh, senior vp-exec creative director, Like cola; Howard Rieger, senior vp-group creative director, Like cola; Lynn McGrath, senior vp-group creative director, Like cola.

PHILIP MORRIS INTERNATIONAL

Marketing Personnel

Ed Gray, director-mktg services
Franklin Caton, mgr-mktg support services
Kay Galeotti, adv and promo coordinator

Advertising Agency

Leo Burnett USA, Chicago—Jim Oates, acct director; John Benson, acct super.

PHILIP MORRIS INDUSTRIAL

Marketing Personnel

William D. McCoy, president, ceo

Advertising Agency

Ads Infinitum, Appleton, Wis.—Richard Zeihen, president.

MISSION VIEJO CO.

Marketing Personnel

Harvey Stearn, senior vp-residential construction and mktg
Kathi Pepka, adv mgr

Advertising Agencies

William Green & Associates, Costa Mesa, Cal.—Bill Green, principal.

King Advertising and Public Relations, Newport Beach, Cal.—Sandra King, principal.

Nabisco Brands

	1982	1981
Sales........	$5,871,100,000	$5,819,200,000
Earnings.....	314,700,000	266,300,000
Advertising*..	335,205,000	340,983,000

*AA estimate

Nabisco Brands, Parsippany, N.J., the nation's ninth largest advertiser, spent an estimated $335.2 million on advertising, a decrease of 1.7% from estimated 1981 expenditures of $340.9 million.

During 1982, Nabisco Brands continued with its plan to divest itself of businesses whose products have limited market share and to focus on its package foods business and proven market leaders.

It was also Nabisco's first full year as a consolidated company, since its merger with Standard Brands in July, 1981. The company has undergone considerable revisions of its organizational map since the merger. Nabisco Brands USA now encompasses U.S. Bakery Products; U.S. Confectionery Products and U.S. Grocery Products. There are two other divisions, Nabisco Brands Ltd. in Canada and International Nabisco Brands. The company's international operations account for 33% of net sales and 31% of operating income.

Nabisco reported worldwide sales of $5.87 billion in 1982, a 9% increase over its net sales of 1981, net income rose 18.2% to $314.7 million, earnings per share were up 14.7% to $4.83. The company reported earnings for the first half of this year of $136.5 million, up 5% from the same period last year, and a decrease in sales of nearly 3% to $2.84 billion.

Consistent with its plans to focus on its package foods business, Nabisco sold in 1982 its J.B. Williams Co. toiletries and pharmaceuticals division (Geritol, Aqua Velva, Sominex), to Beecham Group in Britain for $100 million. It also sold Julius Wile Sons & Co., including Fleischmann Distilling, to Whitbread & Co., London, for $155 million. In addition, it sold a minority interest of All Brands Importers to Whitbread. The company sold its Freezer Queen frozen food operations in 1982. In addition, it sold its Tender Leaf tea brand to Procter & Gamble and leased its Clinton corn wet-milling operations.

Nabisco completed its divestiture program with the sale of its Everlon Fabrics household accessories and Hygiene Industries businesses, which were sold primarily to members of the managements of both those divisions. According to the company, in total, the divested portions accounted for approximately $700 million in revenues annually, but "contributed only minimally to our earnings base."

At the end of 1982, Nabisco acquired Huntley & Palmer Foods of Britain, a leading manufacturer of biscuit products and snack foods with annual sales of more than $600 million. The acquisition should allow the company to move into other worldwide areas of distribution as Huntley & Palmer operates businesses in Canada, France, Germany, Ireland, India and the Far East.

The company also continued to fight the cookie and snack wars waged against it by formidable competitors in these industries. At yearend 1982, Nabisco announced it would be spending more on marketing its U.S. Bakery Products division, which includes all cookies and crackers, and accounts for 26% of the company's net sales and 35% of its operating income.

Said by some analysts to have a 40% share in the prepackaged cookie category, Nabisco faces competition from Keebler, American Brands' Sunshine, snack nemesis Frito-Lays, with its 16-variety line of GrandMa's cookies, and a new player, Procter & Gamble's Duncan-Hines.

When GrandMa's was introduced to test market Kansas City, it was said to have garnered a 20% share. Still in selected markets, it is backed by a reported $70 million promotion budget. The Duncan-Hines line of soft and chewy cookies comes in five flavors.

At the same time, analysts commented that Nabisco could get clobbered right in the Oreos, because taste preferences in test markets were favoring the soft and chewy varieties and the company's cookies are basically dry. Countering its critics and its competitors, in July, Nabisco revealed it had assigned Dancer Fitzgerald Sample a 15-item line of premium-price moist and chewy cookies called Almost Home, with plans for tv, print and sampling to introduce the line in nine states.

The company, which spent $8.2 million in measured spending on cookies, launched other ammunition in the cookie war. In 1982, Nabisco rolled national its Gold Line of premium dessert cookies, debuted Apple Bars and introduced an improved Chips Ahoy! with "more chocolate taste," supported by tv and print via Esty. The brand is the leading packaged chocolate chip cookie in the U.S. In April, 1983, it introduced Oatmeal Fudge with strips of fudge on top and, in March, began a campaign offering a free half-gallon of milk with the joint purchase of Oreos and Nestle Quik chocolate drink mix.

In June, Nabisco introduced Home Hearth bread mixes in white, rye and French varieties. It announced it planned a $15.2 million introduction campaign via J. Walter Thompson, with tv to begin in August, 1983, newspaper coupons this month and direct-mail coupons in October. The company says its plans for 1983 include the completion of a fully automated high-rise warehouse in its Chicago facility—"the world's largest cookie and cracker bakery"—and a larger investment in marketing its bakery products division. Nabisco crackers, on which the company spent more than $17 million in measured media (includes Graham crackers, Triscuits, Ritz, Wheatsworth, etc.), are said to hold a combined 50% share of market. In 1982, Nabisco introduced Nacho 'n Corn thins, Potato 'n Sesame snack thins and a cheese version of its Ritz cracker. It also put into test in Orlando, Fla., and Rochester, N.Y., Chit Chat bite-size sesame snack crackers.

The company's confectionery division accounted for 9% or $528.5 million in net sales and 7% or $47 million in operating income. The division, which spent more than $34 million in measured advertising in 1982, includes, among other products, Life Savers and Curtis candies, Care*Free and Bubble Yum chewing gums.

In June of this year, it moved Pearson Candies and Planters jumbo block advertising to Arnold & Co. from McCann-Erickson. Also in 1982, the company added strawberry and sugar-free grape flavors to its Bubble Yum line of bubble gum.

The company's grocery products division in 1982 contributed $1,473.9 million or 33% of net sales and 27% or $168.3 million in operating income. According to Nabisco, two of its brand leaders in this division, Fleischmann's and Blue Bonnet margarines, hold nearly one-fifth of the $1.6 billion margarine market. The company spent $5.5 million in measured ad spending on Fleischmann's and just under $1 million on Blue Bonnet margarines.

The company launched in 1982, and rolled national in 1983, Fleischmann's Light, a low-fat, reduced-salt content spread. Benton & Bowles handles tv and magazine, while JWT Deltakos USA did the medical promotion. It also completed its nationwide rollout of Planters canister snacks, introduced Butcher Bones dog snacks and a new line of flavored mix-and-eat Cream of Wheat cereals.

In June, Nabisco began testing a new corn chip in its line of bagged snacks. Esty's tv spots in those markets feature former boxer Sugar Ray Leonard and his 9-year-old son.

Early in 1983, the company added Toasted Wheat & Raisins to its cold cereal lineup, which is perhaps best known for Shredded Wheat. In July, it announced plans for "Family in Training," a fitness program sponsored in conjunction with the Amateur Athletic Union and promoted along with and on the boxes of the new cereal, Toasted Wheat & Raisins. A company spokesperson called cereal boxes "some of the best media available." The company plans to spend $14 million promoting the program. In 1982, Nabisco Brands spent more than $100 million on broadcast advertising in the U.S.

Last April, it sponsored the first annual Nabisco Dinah Shore Invitational women's golf tournament and plans to do so again in 1983. Nabisco was also the exclusive sponsor for the 1983 Tournament of Roses parade on two networks, CBS and NBC.

Prior to the sale of the J.B. Williams unit in 1982, there was a great deal of speculation about the future of the Parkson agency, which was operated as part of the division. The house agency, which handles more than $60 million in network tv buying and creative for some of the crackers, was not picked up by Beecham at the time of the sale. In June it was reported that Nabisco will disband Parkson and absorb its operations into Don Ohlmeyer Communications, the year-old joint venture between Nabisco and sports and special-programing producer Don Ohlmeyer. The company became a 50% partner with Ohlmeyer in spring, 1982.

Don Ohlmeyer said plans are for his company to do programing and packaging for Nabisco and "to keep Nabisco on the cutting edge of the new technologies, which have tremendous ramifications for a major consumer company such as Nabisco . . . So, in a very controlled way, it is getting its feet wet with software, examining opportunities in cable, programing and so forth."

Karen Brodsky

ADVERTISING EXPENDITURES

	1982	1981
Newspapers.......	$6,225,200	$5,865,200
Magazines........	11,772,600	17,708,400
Spot tv..........	20,086,200	25,452,400
Network tv........	66,578,800	60,046,300
Spot radio........	1,167,800	208,400
Network radio.....	8,878,800	10,554,900
Outdoor..........	495,600	1,147,400
Total measured..	115,205,000	120,983,000
Unmeasured....	220,000,000	220,000,000
Estimated total..	335,205,000	340,983,000

Marketing Personnel

Office of the Chairman

Robert M. Schaeberle, chairman and ceo
F. Ross Johnson, president and chief operating officer
James O. Welch, Jr., senior exec vp, Nabisco Brands
Robert J. Powelson, senior vp, Nabisco Brands
W.G. Dunnington, exec vp and general counsel

Corporate Staff

Michael M. Masterpool, senior vp-corporate affairs

NABISCO BRANDS USA

James O. Welch, Jr., president, Nabisco Brands USA
Robert J. Powelson, exec vp-operations
Claude P. Hampton, senior vp-group exec
Edward P. Redding, senior vp-group exec
Robert J. Carbonell, senior vp, Nabisco Brands Inc., exec vp, corporate technology Nabisco Brands USA
John H. Clarke, senior vp, and group exec
Ray Wright, senior vp, finance, Nabisco Brands USA

Marketing Services

W. Lee Abbott, vp, Nabisco Brands USA
Samuel B. Haines, divisional vp-mktg support
Robert C. Garguilo, director-mkt rsch
Louis J. Rubinacci, director-media
Ronald C. Roedema, director-sales promo

BISCUIT GROUP

Peter N. Rogers, president
J. Maxwell Enock, vp-mktg
William R. Stuart, director-mktg, sweet goods
Robert H. Lanham, director-mktg, crackers
William S. Brown, director-mktg, snacks
David R. Holmes, vp-mktg, snack foods
Mel B. Perlmutter, director-mktg, snack foods
Dante G. Bonardi, mgr-advtg

Advertising Agencies

William Esty, New York—cookies, crackers, snack foods—J. Greene, mgmt super-corp acct; T. Hayes, senior vp-mgmt super; A. Allen, senior vp-mgmt super; J. Scott, sen vp-mgmt super.

Parkson Advertising, New York—crackers—D. Heitler, vp-client services.

Dancer Fitzgerald Sample, New York—Almost Home cookies—A. Gray, acct exec; S. Hart, acct super; R. Caro, mgmt super; J. Mack, mgmt dir.

NABISCO CONFECTIONS, INC.

Henry J. Bornhofft Jr., president
Edward L. Bjornson, exec vp-genl mgr
Harold E. Boutillier, director-mktg

Advertising Agency

Arnold & Co., Boston—J. Brown, acct super; L. Green, acct dir.

FOOD SERVICE DIVISION

William J. Tobin, president
James P. Casey, vp-mktg, bakery prods
John T. Mitchell, vp-mktg, food and beverage prods

Advertising Agency

The Food Group, New York—D. Axelroad, president.

LIFE SAVERS, INC.

and Curtiss Division

G.F. Randolph Plass Jr., president
Robert W. Denny, vp-mktg
Eric N. Shullman, director-mktg
Michael W. Gretz, director-mktg, Curtiss

Advertising Agencies

Dancer Fitzgerald Sample, New York—Life Savers prods—J. Mack, exec vp-mgmt director; R. Egan, senior vp-mgmt super; C. Dalton, acct super; M. Schlesinger, acct super; M. LeDuc, acct super.

Bozell & Jacobs, Chicago—Baby Ruth,

Philadelphia Brand Dressing

Dart & Kraft
***National introduction*: April, 1983**
***Agency*: Needham, Harper & Steers/USA, Chicago**

Get into the thick of it.
Italian Herb

Butterfinger—L. Shelton, acct exec; T. Streit, acct exec; R. Immen, acct super.

MARGARINE DIVISION

John H. Murray, president
Ellen R. Marram, vp-mktg
Roger L. Wagner, category mgr, dry grocery

Advertising Agencies

Benton & Bowles, New York—Blue Bonnet, Fleischmanns—J. Schanck, acct exec; T. Burnett, acct dir; R. S'Dao, acct super; K. Hite, mgmt super.

Ted Chin, New York—Royal desserts, Egg Beaters—T. Chin, president; R. Self, vp-acct super.

Deltakos, New York—pharmaceutical adv, Fleischmanns Lite, Egg Beaters—V. Roberts, vp-acct exec.

PLANTERS DIVISION

Fred Corrado, president
Robert B. Truckenbrod, vp-mktg
J. Carey Keane, director-adv, consumer promo
Henry Hawley, group prod mgr, snacks
David Bacon, group prod mgr, oil/dry roast

Advertising Agency

Benton & Bowles, New York—nuts, snacks, new prods—R. S'Dao, acct super; G. Burnett, acct super; K. Hite, mgmt super.

GROCERY PRODUCTS DIVISION

William B. McKnight, president
George A. Erfurt, vp-mktg
Ruth L. Brodsky, group brand mgr, hot cereals, Dromedary prods
Stephen G. Wilkerson, group brand mgr, pet snacks
Marianne B. MacManus, senior brand mgr, ready-to-eat cereals

Advertising Agencies

McCann-Erickson, New York—R.T.E. and hot cereals, Dromedary prods—M. Badanes, a vp-mgmt rep; G. Schwinder, acct dir; P. Higgins, acct super.

William Esty, New York—Milk-Bone brand pet snacks—J. Scott, mgmt super.

J. Walter Thompson, New York—Home Hearth bread mixes, Fleischmanns yeast—R. Cudd, acct exec; J. Birkbeck, acct super; J. Mahr, group acct dir; B. Bird, mgmt super.

ALL BRAND IMPORTERS

John J. Kucich, president
Leo Begleiter, senior vp-mktg

Advertising Agency

Bloom Agency, New York—J. Signorile, acct exec; M. Pratt, acct super; B. Cobe, media super.

Nestle Enterprises

	1982	1981
Sales*	$2,341,000,000	$2,387,000,000
Earnings	NA	NA
Advertising**	112,500,000	88,000,000

* U.S. only
**AA estimate

Nestle Enterprises, Inc., White Plains, N.Y., a subsidiary of Nestle S.A., Vevey, Switzerland, is the 57th largest U.S. advertiser, having recorded $112.5 million in domestic spending in 1982, up 27.8% from the previous year.

A 1.9% drop in U.S. sales to $2.34 billion was blamed on the recession; on cessation or sale of activities in culinary products, particularly the canned fruit operation of Libby, McNeill and Libby, and on cost of restructuring acquired companies.

Consolidated sales of Nestle S.A. fell slightly to 27.664 billion Swiss francs. The drop reportedly was a result of the weakening of the Swiss franc and of the parent company's varied divestitures.

Nevertheless, the profit before nontrading items and taxes amounted to 2.468 billion Swiss francs, up 17.7% from 1981, and the consolidated net profit rose 13.9% to 1.098 billion Swiss francs. Selective limitation of capital expenditures was among reasons cited for the 1982 profit figures.

North American operations accounted for 19.3% of the total 1982 sales, up from 18.7% in 1981.

Nestle Enterprises serves as holding company for The Nestle Co., whose products include a wide array of coffees, teas and candies; Libby, McNeill & Libby, with canned juices, pumpkin and meat among its specialties; The Stouffer Corp., owner/operator of hotels and restaurants and purveyor of frozen foods; Beech-Nut Nutrition Corp., which features children's foods, and Wine World, marketer of premium wines.

Activities in the marketing of American foods remained brisk in 1982, with television being used primarily to tout the products.

Network tv garnered most of the $18 million in measured spending to advertise "improved" Taster's Choice freeze-dried coffee and its decaffeinated line.

Nestle reformulated its Nescafe instant line, rolling out Nescafe Classic and Nescafe Decaffeinated supported by early $3 million.

Backing for Nestea iced tea took a dramatic rise, from $500,000 in measured spending in 1981 to more than $8 million in 1982 as actor Dan Haggerty added his testimonials in tv ads.

Nestea also launched a campaign to promote new Quik syrup in a squeeze bottle, although less than $500,000 in measured spending was devoted to the project.

Despite the plummeting of U.S. candy sales at Halloween time, Nestle's products continued to do well in the American market.

Chocolate morsels, associated mostly with the baking of chocolate chip cookies, won $13.2 million in ad support, up from $9 million the year before. More than $400,000 also was expended for morsel-related contests.

Nestle's 2.5-oz. $100,000 candy bar, sold in theaters and convenience stores, received $2 million in advertising, all on network radio.

Nestle's hot cocoa mix was renamed Nestle's Rich & Creamy, and the company late in the year began franchising ready-to-serve Nestle Quik chocolate milk. Initial ads for the milk/franchising activities were limited to placement in newspapers.

Frozen food sales have catapulted for the parent company and, in the U.S., Stouffer's contributed to the upswing. "Remarkable progress" has been cited in the sale of Lean Cuisine, package frozen entrees with low caloric content. Introduced in a successful 1981 rollout, Lean Cuisine, with $100 million in development monies behind it, captured the buying spirit of weight-conscious Americans. The company spent more than $7.35 million in 1982 to advertise Lean Cuisine.

Stouffer lowered its ad spending for regular frozen entrees and spent more than $1 million in support of frozen crepes, but decreased slightly its budget for frozen pizza to $3.5 million.

Stouffer's Rusty Scupper restaurants, with only $50,000 in outdoor advertising comprising its measured figures, undertook selective expansion. Stouffer, hotel owner and manager, continues to dispose of unprofitable hotels. With sales of $100 million in 1982, Beech-Nut Nutrition turned a profit. The baby food company, which offers some items aimed at older children, extended U.S. product distribution throughout the year.

Though its records indicate losses in 1982, Wine World is expected to break even in 1983.

Libby, having completed sale of its canned fruit and vegetable operations, spent $735,000 on magazine ads to promote its canned corned beef. Libby's juices were backed by only $12,000 on spot tv.

An emphasis on spending in both marketing and research is expected in the future by the international company, which in 1982 opened a research facility in Singapore and is expected to open another soon in France.

Nestle in 1982 instituted an audit committee, headed by ex-Sen. Edmund Muskie, to monitor marketing practices for sale of infant formula. The action followed controversy surrounding marketing of the product in underdeveloped nations. It also came on the heels of the parent company's issuance of guidelines that discourage unnecessary use of formula, and its recommendations to its allied companies to make it easier for employe/mothers to breast-feed their own babies. U.S. acquisitions last year included purchase of Florida's Crittenden Fruit Co., distributor of citrus fruits.

The Swiss company also increased its participation in Avicon, a Puerto Rico-based company that manufactures pharmaceutical products for American markets.

The U.S. remains the principal market for ALCON, a Nestle S.A.-owned pharmaceutical company, whose sales have tripled since it was acquired in 1977 and whose Texas research center now is in full operation.

David E. Guerrant, head of Nestle

"Did you say Sweepstakes?"
"Talk to Ventura."

MARKETING PLAN
Parry

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Enterprises, is scheduled to retire later this year and be replaced as president/chief operating officer by James M. Biggar, Stouffer Corp. president.

C. Allan MacDonald, Stouffer Foods Division head, became president of The Nestle Co. this year and L.P. Judy was promoted to the presidency at Libby. I.W. Murray switched from the Libby helm to the president's post at Nestle Enterprises, Toronto.

Tina Lesher

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$3,598,700	$3,065,000
Magazines	8,468,800	7,293,000
Spot tv	28,712,900	27,199,900
Network tv	49,105,100	35,027,000
Spot radio	1,108,900	306,400
Network radio	2,225,000	2,135,900
Outdoor	162,800	40,400
Total measured	93,382,200	75,067,600
Unmeasured	19,117,800	12,932,400
Estimated total	112,500,000	88,000,000

THE NESTLE CO.

Marketing Personnel

B.E. Gensamer, senior vp-mktg and strategic planning
Madi Ferencz, vp-mktg services

Advertising Agencies

Leo Burnett USA, Chicago—Taster's Choice regular and decaffeinated, Nestle bars, Morsels, new candy prods—Bill Smith, client service director; Gary Kroll, Jerry Conner, acct supers.

J. Walter Thompson USA, New York—Sunrise and Nestea—Peter Schweitzer, senior vp-group acct director; Don Challis, acct director; Randy Tallerico, acct rep; Ann Morrow, junior acct rep-Sunrise; Ann Billock, acct super; Francine Alexander, acct exec; Noel Reilly, asst acct rep-Nestea.

Jordan, Case & McGrath, New York—Deer Park Water and Montclair Water, $100,000 Bar and Nestle Hot Cocoa Mix—Jack Taylor, mgmt super; Paul Fleming, acct super.

McCann-Erickson, New York—Nescafe regular and decaffeinated, Quik—John Boyd, senior vp-mgmt rep; Peter S. Hall, acct director.

LIBBY, MCNEILL & LIBBY

Marketing Personnel

L.P. Judy, president
W.J. Barry, vp-natl sales mgr, grocery prods
W. Cuff, vp-specialty foods and prod devel
G.D. James, vp-grocery prods
R.C. Schwarze, vp-sales
J.W. Stevenson, senior vp-business devel

Advertising Agency

Bloom Cos.—canned juices and drinks, canned pumpkin, canned meats, nectar products, produce products, specialty products and new products—Nick Arend, vp-mgmt super; Olga Gil, vp-acct super.

WINE WORLD

Marketing Personnel

Mike Moone, vp-natl sales mgr
J.F. Tonjum, vp-mktg
J.L. Bareuther, vp-genl mgr, C&B Vintage Cellars

Advertising Agency

Allen & Dorward, San Francisco—John Galbraith, mgmt super; Rob Cohen, acct super.

STOUFFER CORP.

Marketing Personnel

James M. Biggar, president-ceo
Robert L. McGuigan, president, Stouffer Foods
Gerald V. DeCroce, vp-mktg, Stouffer Foods
Dave Alexander, mktg mgr, entree, side dishes, crepe prods
Richard B. Annet, mktg mgr, Lean Cuisine prods
Joseph A. Gaeto, mktg mgr, pizza prods
Paul D. DeVries, mktg mgr, New Ventures
William N. Hulett, president, Stouffer Hotel Co.
Ronald A. Nykiel, senior vp-mktg, Stouffer Hotel Co.
John Quagliata, president, Stouffer Restaurants
Michael D. Kelly, vp-mktg Stouffer Restaurants
Fredric W. Tippett, vp-gen mgr, Borel Restaurant Corp.

Advertising Agencies

Creamer Inc., Pittsburgh—frozen foods—R. Weber, vp; H. Gittins, vp.

Wyse Advertising, Cleveland—Stouffer hotels and restaurants—C. Boggs, senior vp-group super.

BEECH-NUT NUTRITION CORP.

Marketing Personnel

Niels L. Hoyvald, president
Steven B. Most, vp-mktg
Russ Decker, mgr-mktg services
Drew Staniar, director-mktg
Martin Kimmel, director-mktg

Advertising Agency

Sherwood & Schneider, New York—James Massey, mgmt super; M. Abramson, acct super.

Nissan Motor Corp.

	1982	1981
Sales*	$13,346,130,000	$13,392,183,000
Earnings*	399,740,000	360,343,300
Advertising**	117,566,700	87,884,100

*Worldwide; fiscal years ended March 31, 1983, and 1982; figures for fiscal 1981 restated, with figures for both years reflecting value of U.S. dollars and Japanese yen as of March 31, 1983.
**AA estimate

Nissan Motor Corp. in U.S.A., Carson, Cal. (a subsidiary of Nissan Motor Co. Ltd., Tokyo), was the 55th largest national advertiser in 1982, with an estimated expenditure of $117.6 million, up about 34% from 1981 spending of $87.9 million.

In the fiscal year ended March 31, the parent company, Nissan Motor Co. Ltd. reported improved earnings from year-earlier figures, with net income up nearly 11% to $399.7 million on sales of $13.4 billion. This compares with earnings of $360.3 million on a volume of $13.3 billion a year earlier.

The Japanese marketer of Datsun cars and trucks produced a total of 2.6 million units for the year (including 155,555 knock-down sets for overseas assembly), up slightly from year earlier figures. But domestic sales in the Japanese homeland were down 3% to 1,112,387 vehicles, while overseas volume dropped 4.8% to 1,341,810 units, not including an additional 160,775 knock-down sets.

Nissan Motor Corp. in U.S.A., the distributor of Datsun cars and pickup trucks in this country, saw its total U.S. sales dropping from 584,489 cars and trucks in 1981 to 578,489 units—470,246 cars and 107,927 trucks—last year. The best-selling Sentra accounted for 131,789 units.

But Nissan's market share in 1982 edged up slightly and amounted to 20.3% of import registrations in the U.S. and 5.9% of the nation's total market. The company ranks fourth in worldwide production, behind General Motors, Ford and Toyota.

Datsun's 1982-83 model year saw a continuation of the creative umbrella "We Are Driven" developed by agency William Esty Co. The theme serves as a unifying device to emphasize specific consumer benefits for each car line, but with the decision to change the corporate logo from Datsun to Nissan, a gradual process slated for the next several years, the Nissan name has become more prominent in the company's advertising. The changeover is expected to cost Nissan an estimated $150 million to implement in the U.S., a cost encompassed in its current ad spending.

The 1983 Nissan models had the support of the largest single ad budget in the company's history, with the introductory effort accounting for an estimated $25 million for the first and second quarters of the fiscal year. The media mix of tv, radio, newspapers and magazines followed the basic pattern set in 1981, but with greater support in local markets. Network tv exposure was provided by NFL Monday Night Football, the fifth consecutive year Nissan has appeared as a sponsor.

While the full Nissan/Datsun line shared in the support given to the introduction of the 1983 models, the main thrust of the effort was behind the new Impulse models, the Sentra and the company's pickup trucks.

The model year saw the introduction of the Nissan Pulsar NX, an all-new car positioned as a sporty, affordable vehicle, priced at $7,400, with special appeal to the young buyer. Theme for the NX campaign, budgeted at $25 million for the first and second quarters, was "Bet you're gonna want one, betcha." Beginning in November, Pulsar had the benefit of heavy tv and magazine advertising, which dramatized the car's styling, economy and interior room.

On the heels of the NX campaign, in June, Nissan added the NX turbo, a Pulsar with a turbocharged engine and vastly improved power potential that was expected to be on the receiving end of a major ad campaign throughout the summer selling season. The NX turbo, which produces 100 bhp at 5200 rpm compared with 69 bhp at 5200 rpm for the NX engine, priced at $8,349, is expected to create a new marketing niche for high-performance, moderately priced compact cars.

Another major portion of the ad budget was devoted to maintaining the sales momentum behind Nissan's economy Sentra, a fuel-efficient front-wheel-drive car that was one of the auto industry's few sales success stories in 1982. With a base sticker price of $4,949, it was the largest-selling single import in the U.S. during the first three months it was offered. Sentra advertising was set to the theme, "You need this car," with ads and tv spots highlighting the quality and low base price. The Sentra is the second car to be marketed under the Nissan name, following the Stanza which last year was positioned as a roomy, family car with excellent gas mileage.

In the spring of 1983, the Sentra was introduced with a new four-cylinder diesel engine option. The diesel engine boosted the car's EPA mileage rating to 48mpg for city driving and 62mpg on the highway.

Special emphasis was placed on trucks, a category that offered maximum growth potential, unfettered by the voluntary import restrictions the Japanese marketers accepted on their cars. "Born to be driven" was the new theme developed for the Datsun pickup trucks, with magazine ads and tv spots that emphasized the ruggedness and durability of the products.

The truck advertising also had a youth orientation, and after offering 9.9% financing in 1982, a new campaign this spring offered an even lower 8.8% rate, reflecting the stepped-up competition between Nissan and its rival producers in Japan and Detroit.

While the full Nissan/Datsun line shared in the support given to the introduction of the 1983 models, the main thrust of the effort was behind the Sentra, the new Impulse models and the company's pickup trucks. Early this year a new pickup truck was introduced as a mid-1983 replacement for the 1983 Datsun pickup, a vehicle that was to be produced at Nissan's nearly-completed $660 million assembly plant in Smyrna, Tenn., which will have an annual capacity of 156,000 trucks. At that point the pickup truck ad theme also shifted to "One heck of a hunk of a truck."

In mid-April, Nissan opened its $4.7 million design center complex in La Jolla, Cal., a studio the company hopes will turn out prototypes of cars slated for the world market. The U.S. was selected for the facility because of its advancements in the design field, "consistently spearheading the establishment of new international trends," according to Nissan's head of r&d.

Chuck Wingis

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$9,742,800	$8,824,000
Magazines	12,750,600	9,827,200
Spot tv	32,671,100	20,006,200
Network tv	23,548,100	21,605,100
Spot radio	11,382,600	7,666,000
Outdoor	971,500	954,000
Total measured	91,066,700	68,884,100
Total unmeasured	26,500,000	19,000,000
Estimated total	117,566,700	87,884,100

Marketing Personnel

R.B. Kent, vp-mktg services
J.M. Opre, adv director
S. Nickerson, dealer support director
T. Foutz, natl auto ad mgr
D. Hubbard, natl truck ad mgr
D. Kidman, natl sales promo/merch mgr
J. C McDonnell, corp pr mgr
S. Furedi, media planning mgr
D. Finley, dealer adv mgr

Advertising Agency

William Esty Co., New York/Los Angeles—all Datsun vehicles-George Beech, mgmt super.

North American Philips Corp.

	1982	1981
Sales	$3,168,052,000	$3,030,044,000
Earnings	73,564,000	103,974,000
Advertising*	90,600,000	83,881,500

*AA estimate

North American Philips Corp., New York, the country's 67th largest advertiser, increased its domestic advertising an estimated 8% to $90.6 million in 1982.

North American Philips, an outgrowth of Netherlands-based N.V. Philips, recorded a 4.6% increase in sales to $3.17 billion, but net income dropped 29.3% to $73.6 million from 1981 to 1982.

Last year, the three tv lines in Philip's consumer electronics division—Magnavox, Sylvania and Philco—introduced a rear-screen projection system with a 50-in. diagonal screen, a technology emanating from Philips' research and development operations, now integrated among the brands. Each brand, however, has its own advertising program. Magnavox spent $3 million in 1982 in measured media on its color tvs; Philco, $117,000, and Sylvania, $3.7 million.

Through 1982, Sylvania continued its "Best color picture" campaign, backing it with a fourth-quarter regional promotion tie-in with distributors. Game show, trade and co-op advertising rounded out the mix.

As with other consumer electronics concerns, Philips consumer electronics division suffered a decline in the division's videogame sales in 1982. Moreover, the company had to withdraw its successful K.C. Munchkin videogame from the market following a successful challenge in court by Atari Inc., a division of Warner Communications and maker of Pac-Man.

In its suit, Atari claimed that the K.C. Munchkin videogame infringed on its Pac-Man copyright. In September, the U.S. Supreme Court left standing a lower court ruling that prevents Munchkin, a Dutch creation, from invading the markets in the U.S. established by Pac-Man, a Japanese creation under licenses shared by Atari and Bally Mfg. Co.

In other litigation, North American Philips reached a settlement in a lawsuit it had filed against Mattel Inc. for infringement of television-game patents. Under terms of the agreement, Philips reportedly released Mattel from all claims of infringement and granted Mattel a license for the patents.

The company filed the suit in 1980 claiming Mattel infringed on Magnavox's patent on Odyssey 2 when Mattel introduced its Intellivision. The issue centered on the electronic circuitry that converts electrical impulses to images on the screen.

The company, meanwhile, continued to build its Odyssey franchise by launching a new campaign for 50-plus videogames for its Odyssey 2 videogame player. The thrust of the campaign was to promote the Odyssey 2 alphanumeric keyboard, a unique feature in the videogame market. The theme line for the campaign was, "The keyboard is the key to greater game challenge." In all, the division spent $9.1 million on Odyssey in measured media in 1982.

In the division's videodisc activities, Magnavox introduced model VC 8010 and Sylvania model VP 7200, featuring random access infrared remote control. The laser discs, marketed primarily by Pioneer Electronics Corp. and by the 3M Co., feature concerts, children's programs, R-rated titles and special interactive programing discs that invite audience participation.

Norelco consumer products division had its day in court as well. Philips was named defendant in an antitrust suit filed by Remington Products early last year, following Philips' purchase of the Schick name and shaver business from Schick Inc. It had stopped selling its shaver in 1980 after several years of poor sales.

Philips, through its Norelco rotary shaver, commands about 55% of the electric shave market.

Following the purchase, Philips formed U.S. Appliance Corp., Westport, Conn., to market a line of high-quality, high-performance Schick Flexamatic men's foil cord and rechargeable electric shavers and Lady Schick Lite Touch electric shavers.

Boxer Gerry Cooney and football player Mark Gastineau of the New York Jets became spokesmen for Norelco rotatract razors in 1982. The commercials, with the theme "Tough on your beard. Not on your face," ran on prime time tv, network sports broadcasts and late fringe tv, as well as on cable sports programs, which were the recipients of 239 spots in the last six months of the year.

In addition to the shavers, the company also introduced through the Norelco brand its Chic beauty care collection. The introduction was supported by a $2 million network tv effort by McCaffrey & McCall.

Remington filed another lawsuit, this time against Norelco, objecting to claims made by Philips that its shavers were chosen for use during the flight of the Challenger space shuttle in June following extensive research by the National Aeronautics and Space Administration.

NASA prohibits suppliers from issuing promotional material or advertising that suggests the endorsement by the agency of a product or service. It was reported that the agency said that it had chosen the Norelco shaver on the basis of its shape and not as a result of any detailed research. Under the settlement reached in July, Philips agreed not to make any claims violating NASA regulations. No payment was made by either company.

Also through McCaffrey & McCall, New York, Norelco introduced the Clean Water Machine and two new clean air machines. The introduction of the Clean Water Machine was said to be supported by a budget three times larger than that spent on the 1980 introduction of the Clean Air Machine. Measured media, however, was only $1 million.

Norelco also allocated its largest six-month advertising budget for a Clean Air Machine campaign. The commercials, which began airing in mid-1982, demonstrate the efficiency of clean air machines, and a 30-second spot focused on just the filter. Some $1.7 million in measured advertising went to support the product.

Philco celebrated the 90th anniversary of its name last year in various promotions, including trade advertising and two limited edition anniversary models. The company also introduced a 30-day money-back guarantee on its color tv line.

Last September, Westinghouse Electric Corp. and North American Philips reached an agreement whereby Philips acquired the Westinghouse lamp business for about $200 million in cash and notes in U.S. and Canadian transactions. Also, Philips Electronics Ltd. of Canada, a unit of the New York-based parent, acquired Westinghouse Canada's lamp business.

Other North American Philips divisions include NAP Lighting Corp., Anchor Brush Co., Baker, Knapp & Tubs, a furniture marketer, Selmer Co., the country's leading supplier of band and orchestral instruments, and Caroline Coach Co., the third largest regular route intercity bus carrier in the U.S.

Duke Fanelli

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$1,926,800	$1,384,300
Magazines	2,261,800	7,181,800
Farm publications	—	229,800
Spot tv	6,717,900	4,375,400
Network tv	23,527,200	20,468,500
Spot radio	863,700	—
Network radio	—	459,000
Outdoor	59,100	54,100
Total measured	35,356,500	34,152,900
Unmeasured	55,243,500	49,728,500
Estimated total	90,600,000	83,881,400

NORTH AMERICAN PHILIPS CONSUMER ELECTRONICS CORP.

Marketing Personnel

Frank R. Lann, president
Donald F. Johnstone, senior vp-mktg

MAGNAVOX

Kenneth C. Thomson, vp-gen mgr
William B. Campbell, vp-sales
James F. Proud, vp-mktg
Rita E. Hutner, mgr adv

ODYSSEY

R.W. (Mike) Staup, vp-genl mgr
Gerald A. Michaelson, vp-mktg
Robert W. Strickland, vp-sales

SYLVANIA

Ron R. Stoltenberg, vp-genl mgr
H.J. (Hal) Draper, vp-sales
Griffith Harrison, mktg director
Michael J. Keel, mgr adv

PHILCO

E.R. (Rick) Policicchio, vp-genl mgr

J.T. (Terry) O'Flynn, vp-sales

Advertising Agencies

Campbell-Ewald, Warren, Mich.—Magnavox—Pete Dow, president Ham Schirmer, group senior vp; Dave Eick, vp-acct super; George Back, vp-acct super; Karen Baehr, acct exec. Odyssey—Frank Hoag, senior vp-acct super, Dennis Connaughton, vp-acct super.

Doyle Dane Bernbach, New York—Sylvania—Barry Loughrane, president; Larry Iannuzzelli, group senior vp, Bob Stern acct super.

ICE Communications, Inc., Rochester, N.Y.—Philco—Fran Cosentino, president; Carey Corea, creative director; Roger Eibl, vp-acct super, and Bob Stebich, acct exec.

Davis Newman Payne, Knoxville, Tenn. —Philco (local)—Jim Reed, vp-acct super.

NORELCO CONSUMER PRODUCTS DIVISIONS

Marketing Personnel

Richard Q. Kress, president
Patrick Dinley, vp-sales
J. Richard Gonzalez, vp-adv
Robert Beasley, vp-genl mgr, personal care group
Patrick Campbell, vp-genl mgr, appliance group
Carola Crowley, mgr, beauty care div
Toby Draitz, mgr, razor div
Craig Moeller, mgr, kitchen appliance div

Advertising Agency

McCaffrey & McCall, New York—Norelco electric razors, personal care products, kitchen appliances, health care appliances—Bo Mitchell, vp-mgmt super; Ron Vavra, vp-acct super; Linda Forquignon, acct super; Jim Mitchell, acct exec.

Noxell Corp.

	1982	1981
Sales........	$261,897,000	$233,112,000
Earnings.....	18,504,000	16,864,000
Advertising*..	49,594,400	41,082,100

*AA estimate

Noxell Corp., Baltimore, the 93rd largest national advertiser, increased its advertising spending 21% to $49.6 million in 1982.

The company, which markets cosmetics, skincare items and household products, had a 12.3% sales increase from 1981 to $261.9 million. Net income was up 9.7% to $18.5 million, excluding the sale of Noxell's holdings in the Neutrogena Corp.

The company said Cover Girl cosmetics accounted for all the company's domestic growth, while toiletries and household products were marginally below 1981 levels.

Dollar sales in the cosmetics division, which accounted for 53% of the company's net sales, were up 27% as Noxell introduced several new products including MakeupMates applicators and accessories and Shape 'N Blush and Pro-Lining Pencils. MakeupMates was backed by $938,400 in magazine advertising.

Cover Girl Clean Makeup, on which the company increased ad spending 32% to $8.6 million, for the first half of 1983 has a 56.5% share of the category in grocery store dollar sales, according to Towne Oller reports. The line also is sold in drug and mass-merchandise outlets. The company said the brand recorded one of its greatest sales increases since its 1961 introduction.

Cover Girl eye makeup as a group was backed by $1.2 million in advertising. Mascara alone got $9.5 million in ad backing, an 18% increase from the previous year, with $8.8 million of it going to network tv. In the eye makeup category, again in supermarkets only, the company's mascara holds a 22.9% share; eyeliner has 45.9%; shadows 19.9%. Leader in the category with a 33% market share is Cover Girl NailSlicks which got $1.8 million in advertising in 1982, down 51% in ad support.

Cover Girl lipstick, with a 14.4% share in supermarkets, was backed by $4.2 million in advertising.

Tv accounts for 73%, or $35 million of total measured spending, for the company, with models Cheryl Tiegs, Christie Brinkley and Kelly Emberg representing the "Cover Girl look."

The company signed actress Stephanie Powers as the new spokeswoman for the Moisture Wear makeup line, positioned for the woman over 30. Moisture Wear was backed by about $5.2 million in advertising, but sources say the product's share is too small to show up in the traditional market share reports.

In the toiletries area, which contributed 25% to total Noxell sales, business did not grow.

Shipments of Noxzema skin cream declined, the company said, because of competitive activity in the category. The product's current share is 19% in grocery outlets. Ad spending was $4.1 million, off 21% from the previous year.

Noxzema 12-hour acne medicine is backed by a campaign that stresses the combination of Noxzema skin cream and the acne medicine that drew $802,000 in network and spot tv spending. The acne medicine alone got $835,000 in ad support, down from a six-month launch budget of $1 million the previous year.

Noxzema Antiseptic skin cleanser grew in sales more than 20%, said the company, which spent $510,000 in measured advertising to back the cleanser and $860,000 for cleanser pads.

RainTree beauty lotion, a facial moisturizer which currently has a 2% share in supermarkets, was backed by $1.5 million, down 38%. RainTree hand and body lotion, showing a 2.7% share, got $4.9 million in advertising. Following the death of spokesperson Natalie Wood late in 1981 when the company pulled advertising for the brand, Noxell moved the RainTree account to Backer & Spielvogel, New York. A new campaign promotes the "RainTree feeling."

Noxzema Shaving cream grew in dollar sales as a result of a price increase. For this product, the company continued spending in cable tv advertising oriented toward men. In other media, the company spent $1.4 million in advertising.

A new advertising campaign for Lestoil bearing the tag line, "the less you like to clean, the more you'll like Lestoil," did not help the product grow. The company said Lestoil's flat sales were symptomatic of changes in the heavy-duty cleaner market. Backer & Spielvogel created the Lestoil campaign, but in late July the agency and Noxell agreed to part company on that piece of business. The company spent $1.5 million on Lestoil in 1982.

Nancy Millman

ADVERTISING EXPENDITURES

	1982	1981
Newspapers.......	$5,500	$11,800
Magazines........	12,538,500	9,936,300
Spot tv...........	3,931,700	3,688,800
Network tv........	31,527,600	25,946,800
Spot radio........	—	85,300
Network radio	248,300	294,100
Total measured..	48,251,600	39,963,100
Unmeasured....	1,342,800	1,119,000
Estimated total..	49,594,400	41,082,100

Marketing Personnel

George Bunting Jr., president
Marvin L. Hathaway, exec vp-domestic
R.G. Duke, senior vp-corporate devel
F.J. Harrison, senior vp-mktg
P.M. Troup, vp-cosmetics mktg
R.H. Yeager, director of new prods
E.H. Levering, senior vp-sales
D.J. Gallow, director-mktg rsch
M. Bowers, group prod mgr
C.J. Busta, group prod mgr

Advertising Agencies

SSC&B, New York-Noxzema skin cream, Cover Girl prods, new prods—F. Stone Roberts, exec vp; Neill Myers, senior vp-mgmt super; John VanderKieft, vp-mgmt super, Ann Hughes, vp-acct supers, cosmetics; Beth Green, Donna Squilla vp-acct supers, cosmetics; Susan Exum, Jay Schreick, acct super; Lauren Goodman, Deborah Hodes, Peter Hanes, Sandra Lewit, acct execs.

Backer & Spielvogel, New York—Lestoil, RainTree prods, new prods—Randy Lindel, senior vp-director of acct services; Alice Bond, acct director; Denise Durvett, acct exec.

William Esty Co., New York—Noxzema shave cream, new prods—Richard Van den Bosch, senior vp-mgmt super; Steve Moynahan, vp-mgmt super; Joe Kensil, acct exec.

Pan American World Airways

	1982	1981
Sales........	$3,716,025,000	$3,797,291,000
Earnings.....	(485,300,000)*	(18,875,000)*
Advertising**..	72,000,000	35,000,000

*(Loss)
**AA estimate

Japan's Real Decision Makers—

Their Daily Newspaper Is The Asahi Shimbun.

You've probably heard or read a lot about the unique decision-making process in Japanese organizations, and maybe you're even a little confused about what really goes on. While a lot of attention has been given to the "how", little has been paid to the "who". Put simply, the Japanese decision-making process starts from the bottom and moves toward the top. At the Section or lowest level, problems are identified, proposals are made and the initiative is taken. Among Section workers, morale is high, energy and enthusiasm are common, and the willingness to work long and hard is taken for granted.

As the facts clearly show, their newspaper of choice is the Asahi Shimbun. Published twice daily in Japan's major commercial and population centers, backed-up by several combined area editions, and having a large nation-wide readership, the Asahi Shimbun is a quality newspaper which reaches the people who count. If your need is to inform or persuade Japan's decision makers, then let the Asahi Shimbun carry your message to the source.

Comparison of Dissemination Rates of Japan's Four Major Newspapers.

Senior Executives and Professional People

Asahi	34.0%
Mainichi	12.7%
Yomiuri	23.8%
Nihon Keizai	8.0%

Middle Management & Section People

Asahi	27.0%
Mainichi	11.7%
Yomiuri	22.6%
Nihon Keizai	5.0%

(M.M.R., Sept., 1982)

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Tokyo 104, Japan
Represented in the United States of America by
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New York, N.Y. 10176 Tel: (212) 867-9580
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100

Pan American World Airways, New York, the country's 80th largest advertiser, spent $72 million on advertising in 1982, more than double the $35 million spent in 1981.

Pan Am joined other major air carriers in the financial doghouse in 1982. Sales dropped to $3.71 billion during the year, down 2.1% from the 1981 level. Moreover, the company suffered a loss of $485.3 million in 1982, compared with an $18.9 million loss the previous year.

However, for the second quarter of fiscal 1983 ending in June the airline reported its first quarterly profit in three years when net income hit $10.4 million on revenues of $946.2 million, compared to the same period in 1982 when Pan Am suffered a loss of $56.2 million in net income and revenues of $969.5 million. The return to the black is a product of a recovering economy, a sharp rise in airline traffic and concessions from employes that reduced labor costs, says the company.

During 1982, passenger levels were down to 12.2 million from 13.5 million the previous year, according to Air Transport Assn. Revenue passenger miles—the number of miles traveled by fare-paying passengers—also declined, from 28.9 billion to 27.2 billion over the same period. The drop in passenger miles pushed Pan Am into third place from second among domestic airlines; United Airlines and American Airlines now rank ahead of it.

But during the second quarter of fiscal 1983, passenger services increased 2.5% to $738.8 million and the revenue passenger yield rose 1.9% to 10.39 cents per revenue passenger mile from a year earlier.

Despite its poor bottom-line performance in 1982, Pan Am's major ad budget increase made it the nation's leading spender on airline advertising during the year. The company's 1981 ad budget placed it sixth in total ad spending among U.S. carriers.

The increased budget centered on a campaign that broke last April with the over-all theme, "Pam Am, you can't beat the experience."

The campaign was designed to accomplish a number of things for the ailing airline, including beef up its international operations, shed a reputation for poor service and highlight the standardization of the individual classes in and the upgrading of its fleet.

The ad campaign, created by Wells, Rich, Greene, the airline's third agency in eight months, came seven months after C. Edward Acker, Pan Am chief executive officer, stepped in to pilot the company.

Immediately after taking office he left his mark by starting a program to improve business by adding new routes and slashing fares. Late last year a $99 fare was instituted between New York and 17 cities, including seven in Florida, and on transcontinental flights during limited periods.

The move was quickly matched by Eastern, TWA, United and American (which does not provide service between New York and Florida).

The day after Pan Am announced its $99 air fare, the company said that bookings for its flights topped 59,000, breaking a one-day record for the airline. The program apparently was successful enough to warrant an extension in selected markets during the early months of 1983.

This past April, the airline once again began a discount program when it announced plans to cut some fares on its domestic routes to about half those proposed in a new distance-based fare structure initiated by American Airlines.

At approximately the same time, Pan Am also launched a new campaign that touted low fares across the Atlantic. The campaign, which the company said is a substantial chunk of its $35 million ad budget for 1983, broke in newspapers, magazines, radio, tv and outdoor boards in 37 markets. This was the first time the company made extensive use of outdoor advertising. The print effort broke in New York and rolled out through the rest of the markets Pan Am serves.

The print campaign featured a luggage-toting Uncle Sam and the headline, "America's going to Europe this summer on Pan Am." It emphasized that the carrier flies to London from 38 U.S. cities and that its fares to London are $220 lower than last year.

In another move to beef up international travel, Pan Am in January hired the Sydney, Australia, office of Hill, Holliday, Connors, Cosmopulos to handle the public relations effort for its nonstop Sydney-to-Los Angeles flight, at 7,500 miles the world's longest nonstop flight. Preliminary efforts were to be aimed at the Sydney press in an effort to develop awareness of the flight. Pan Am's Australian pr account had been handled inhouse.

That Pan Am is emphasizing the promotion of international travel and offering discounts to European cities makes sense, considering that 75% of the airline's revenue comes from international flights. Its foreign competitors are largely government-owned carriers with relatively easy access to new funds.

In addition to the fare cuts instituted by Mr. Acker, the airline got its employes' unions to agree to a 10% wage cut and a 15-month freeze. The agreement reached with the Flight Engineers International Assn. and the Air Line Pilots Assn. alone is expected to save Pan Am an estimated $98 million in 1983. In all, the company won concessions from all five of its unions.

In addition, Mr. Acker has let it be known that he intends to cut flight miles by 8% and expenses by 4%, while keeping fares unchanged, on the average. As a personal concession, Mr. Acker agreed to not accept any of his $350,000 salary for 1983 until the carrier returns to profitability.

Following the bankruptcy of Braniff International last year, Pan Am began negotiating with the airline to rent its Latin American markets. Braniff's intention was to spin off its moneymaking service to Pan Am while maintaining the right to resume Latin American service sometime in the future.

The proposal, styled as a joint venture by the two airlines, would have added all but Braniff's Venezuela service to Pam Am's route system, an expansion Pan Am estimated would add $200 million a year in new revenues to its balance sheet.

Under the agreement, Pan Am would pay Braniff "at least" $30 million in the next two years for the right to fly the Braniff route system, with the possibility of paying the carrier even more if business and profits were good. The plan, however, would have bent normal international aviation rules. The Civil Aeronautics Board is responsible for selecting which U.S. carriers get international routes, and Air Florida was first in line asking for a crack at some of Braniff's South American markets, with a number of other carriers close behind. Eastern Airlines was eventually awarded the routes.

In February, Pan Am and Norwegian-American Cruises announced a joint marketing program offering frequent air and sea travelers an extensive mileage bonus. The promotion is an outgrowth of the carrier's World-Pass program. A direct-mail packet announcing the program was sent to more than 800,000 prospects. Wunderman, Ricotta & Kline, New York, and Epsilon, Burlington, Mass., handled the program.

Duke Fanelli

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$24,077,700	$17,984,300
Magazines	1,646,500	1,852,300
Spot tv	2,090,000	2,817,100
Network tv	8,259,500	—
Spot radio	1,339,500	3,503,900
Outdoor	343,600	554,500
Total measured	37,756,800	26,712,100
Unmeasured	34,243,200	8,287,900
Estimated Total	72,000,000	35,000,000

Marketing Personnel

Martin R. Shugrue, Jr., senior vp-mktg
John Krimsky, vp-passenger sales
Armand G. Arel, system director-adv, sales and promo
Robert A. Drumm, director-U.S. adv
H.T. Brettelle, director-sales promo

Advertising Agencies

Wells, Rich, Greene, New York—A. Van Stom, senior vp-worldwide group head; E. McKenna, U.S. domestic-mgmt super; T. Caufield, Atlantic div-mgmt super; D. Garrido, Latin America and Pacific-mgmt super.

Sheppard Lobe & Costa, Miami—Hispanic adv—Robert H. Sheppard, president.

TV-Cable Week

Time Inc.
National introduction: April, 1983
Agency: Ted Bates Advertising, New York

Capture TV's most consuming audience.
Time-Life introduces the magazine born and bred for the new cable generation.
Reach a select new audience with a brand-new medium.
The whole TV scene in one magazine.
TV-CABLE WEEK
TV-CABLE WEEK

J.C. Penney Co.

	1982	1981
Sales*	$11,414,000,000	$11,369,000,000
Earnings*	430,000,000	393,000,000
Advertising**	230,000,000	208,600,000

*Worldwide
**AA estimate

J.C. Penney Co., New York, the nation's third largest retailer, spent $230 million on advertising in 1982, becoming the 26th largest U.S. advertiser.

Sales in 1982 were $11.41 billion, an increase of 0.3% over 1981, considerably less than the 8% compounded rate Penney's has averaged the past 10 years. Net income from continuing operations increased to a record $430 million in 1982, a 9.4% increase from 1981, despite high unemployment and the devaluation of the Mexican peso that helped produce at Penney's border stores an income-per-share decline of 35 cents.

Income from continuing operations was 3.8% of sales in 1982, the highest in the last 10 years.

Penney's total ad and promotion spending of $230 million, a 10.3% increase over 1981, included $54.7 million in measured media. Retail advertising for individual stores is not included in the measured figures, although expenditures for preprint newspaper advertising are included in AA's estimate of unmeasured spending. Catalog preparation and distribution costs also were omitted.

Clothing categories paced Penney's media ad budget by line item. Topping the list was Penney's family sportswear, $10.6 million; women's apparel, $5.8 million; men's sportswear, $4.2 million; women's intimate apparel, $1.7 million; men's suits and sportswear, $1.4 million; men's sport shirts, $1.2 million; men's apparel, $1.2 million, and women's sportswear, $1.1 million. Instore services included auto insurance, $2.4 million, and Penney's home entertainment center, $2.3 million. Miscellaneous accounted for $8.5 million. Thrift Drug Stores spent $1.7 million in measured advertising.

In 1982, Penney's decided to discontinue the sales of home appliances as well as its own product service organization. Instead, the company will utilize RCA and General Electric Co. to sell microwave ovens, floorcare equipment and patio furniture.

The company also will discontinue operating automotive centers before the end of 1983. Firestone Tire & Rubber Co., Akron, O., will take over approximately 300 Penney's freestanding tire and auto service stores and provide service on existing warranties. The auto centers that are within Penney's stores will be used for other merchandise. These divestitures are part of a program to concentrate on clothing, home furnishings and leisure merchandise. In keeping with that program, Halston, the noted fashion designer, entered into a six-year licensing agreement with Penney's in 1982 that is expected to produce more than $1 billion in sales during that time, and upgrade the retailer's image.

Included in the agreement are plans for popularly-priced women's apparel to be introduced in the fall of 1983, followed by later introductions of men's and children's clothes plus home furnishings in 1984 and 1985. The women's wear will appear concurrently in Penney's stores across the country with the fall/winter catalog.

Introductory efforts will be boosted by what Donald Seibert, chairman-chief executive officer described as a "multi-million-dollar ad campaign," to be created and executed by Penney's agency, McCaffrey & McCall.

Penney's also is revamping its merchandising mix to about 70% soft goods vs. 30% hard goods, compared with the previous ratio of 60/40. Over $1 billion will be spent during the next five years to retrofit existing stores.

Penney's is emphasizing quality in its apparel by featuring more natural fibers and several new private labels.

Levi Strauss & Co., San Francisco, entered into an agreement with both Penney's and Sears, Roebuck & Co. in 1982 to distribute its diversified apparel line.

Catalog sales, about 15% of total sales, rose to $1.7 billion in 1982, a slight increase from 1981. Profits increased slightly despite the opening of the company's sixth catalog distribution center in Manchester, Conn.

Penney's European retail operation in Belgium, where it is that country's second-largest retailer operating under the name of Sarma, contributed $565 million in sales. Elsewhere in Belgium, Penney's closed five restaurants which it operated under the Wendy's system and trademarks because of poor operating results. Options to operate Wendy's units in France, the Netherlands and Luxembourg were not exercised.

Drugstores, operating under the name Thrift Drug or Treasury Drug Center, brought sales of $485 million.

In an effort to encourage consumers to shop for drugs and health & beauty aids at drug chains rather than supermarkets, Penney's hired Marx Inc. of Milwaukee to create a "Little Shavers Savers Club" promotion for Thrift Drug/Treasury Drug. The promotion will allow customers with children discounts on baby needs.

Sales for J.C. Penney Financial Corp., J.C. Penney Financial Services and JCP Realty totaled $812 million in 1982. J.C. Penney Financial Corp. finances a portion of J.C. Penney's customer receivables; JCP Realty is engaged in the development and operation of shopping centers through participation in joint ventures and J.C. Penney Financial Services consists of the operations of the company's insurance subsidiaries. These subsidiaries market life and health insurance and automobile and homeowners casualty insurance.

J.C. Penney Financial Services' net income declined $7 million in 1982 to $22 million from $29 million in 1981. The decline was due primarily to higher underwriting losses.

In 1982, Penney's sold Great American Reserve Insurance Co., a subsidiary that marketed life and health insurance through an agency sales force to Time Inc. for $76 million. Penney's retains both its operations for marketing life, health, auto and homeowner's insurance through direct response and sales centers located in its stores. These operations are conducted through J.C. Penney Life Insurance Co. and J.C. Penney Casualty Insurance Co.

Late in 1982, Penney's entered into an agreement with First Nationwide Savings to offer as a test an array of financial products and services in five northern California stores and to credit-card customers through mail marketing. Products available in those stores will include the newly authorized money-market accounts, checking, retirement accounts, mortgages and other loans. If the services prove popular, Penney's says it would expand the concept to other stores, perhaps in 1984.

The $10 million J.C. Penney Financial Services account went from Wells, Rich, Greene to N W Ayer last year.

Mary Ann O'Connor

ADVERTISING EXPENDITURES

	1982	1981
Magazines	$11,284,800	$8,880,300
Spot tv	16,530,900	12,954,500
Network tv	23,790,500	25,555,900
Spot radio	737,700	353,900
Network radio	2,203,100	85,800
Outdoor	163,700	111,100
Total measured	54,710,700	47,941,500
Unmeasured	175,289,300	160,658,500
Estimated total	230,000,000	208,600,000

Marketing Personnel

T.S. (Terry) Prindiville, senior vp-director, corp mktg
Lou Bremer, mgr, mktg communications
John Lucas, mgr-adv
Jim Boynton, mgr-media services
Bob Allen, mgr-sales plans
Karen Rosenman, mgr-merch publicity
Bob Jung, mktg publications coordinator
Tom Jewell, mgr-visual merch
Dean Clopton, mgr-presentation
Mal Bliss, mgr-packing and labeling
Bill Speer, mgr-store devel
Sid Stein, mgr-mkt rsch & plans services

Advertising Agencies

McCaffrey & McCall, New York—natl adv—William Vieser, senior vp, group acct super; George Hadley, acct super.

N W Ayer, New York—J.C. Penney Financial Services—Joseph Della'Aquila, vp-mgmt super; John Nichols (insurance) and Jack Rayher (new business), vp-account supers.

D'Arcy-MacManus & Masius/New York—J.C. Penney catalog—Steve Seiter, senior vp-mgmt super; Dan Cole, vp-acct super.

PepsiCo Inc.

	1982	1981
Sales........	$7,498,998,000	$7,027,307,000*
Earnings.....	224,288,000	297,484,000
Advertising**..	305,000,000	260,000,000

*Restated
**AA estimate

PepsiCo Inc., Purchase, N.Y., the nation's 13th largest advertiser, increased ad expenditures by 17% in 1982 to an estimated $305 million.

Worldwide, the company spent an estimated $410 million in advertising in 1982, up 8% from 1981.

The company's revenues were $7.5 billion in 1982, a 7% increase over the previous year, but earnings declined to $224.3 million, a decrease of 25%. The company attributed the drop to an unusual charge incurred in the fourth quarter when it closed a company-owned bottling plant in Duesseldorf, West Germany. In addition, the company said, the massive devaluation of the Mexican peso adversely affected the performance of its foreign beverage and food products operations.

PepsiCo has not had a turnaround so far in 1983. For the second quarter of its new fiscal year, PepsiCo earnings dropped 18% to $74.8 million from $91.7 million a year ago, while sales improved slightly to $1.84 billion from $1.81 billion. The poor showing was attributed by the company to a decline in overseas operations that more than offset gains in its major domestic businesses.

PepsiCo's overseas operations particularly came under scrutiny in late 1982 when the company discovered falsified accounts at two of its foreign soft-drink bottling plants that resulted in operating profits of the two subsidiaries to be overstated by $85 million over a four-year period, beginning with 1978. In that time, PepsiCo reported earnings in excess of $1.1 billion. Plant managers in the Philippines and Mexico, who the company said were responsible for overstated assets and understated expenses, were dismissed. The company reported that the two wholly owned foreign operations accounted for less than 5% of its operating profits in 1981.

Back in the U.S., PepsiCo was in the forefront of what many industry insiders referred to as the "Great Soft Drink War," introducing Pepsi Free and Sugar Free Pepsi Free with an estimated $20 million tv campaign ($33 million in 1983). The company also stepped up tv ad spending on Diet Pepsi to battle market leader Coca-Cola.

The company reported that in 1983 Diet Pepsi's budget for tv will exceed $20 million and that the company will spend some $10 million in couponing and sampling for its decaffeinated brands.

The new Pepsi campaign, "Pepsi now," the company said, is a marriage of its local/regional "Pepsi Challenge" and its national "Pepsi's got your taste for life" campaigns, New ads for Pepsi Light feature New York Giants football players warbling "We love Pepsi Light."

One of the more interesting developments in the soft drink war took place between 7UP and Pepsi. Seven-Up Co., promoting its flagship brand as never having caffeine—"and never will," either—lodged a complaint against Pepsi Free for advertising a caffeine-free claim when, Seven-Up said, Pepsi Free is 99% caffeine free.

Pepsi-Cola officials accused Seven-Up, which filed the complaint before the National Advertising Division (NAD) of the Council of Better Business Bureaus, of making a mountain out of a molehill; it accused Seven-Up of misusing the NAD. The result was a reprimand on Pepsi Free.

In terms of market share, regular Pepsi, at an 18.3% share, continued to trail market king Coke, which had 24.4%, according to *Beverage Industry*. In the caffeine-free category, Pepsi Free had a 4.7% share of market late last year. The category itself averages 6.5% of the soft-drink market, according to A.C. Nielsen Co.

Elsewhere in the PepsiCo family, the food products division, which consists of Frito-Lay and PepsiCo Foods International, saw its sales increase 7% to $2.35 billion in 1982. Earnings also rose, reaching $326.4 million, up 9%.

PepsiCo claimed that Frito-Lay is the leader in the $20 billion snack food industry, with Lay's potato chips recording a 16% rise in sales in 1982. Sales of Ruffles potato chips were up 21%; Doritos brand tortilla chips, up 11%; Tostitos tortilla chips, up 7%, and Fritos corn chips, up 8%.

During the year, Frito-Lay introduced TaTos, an extra-crispy potato chip, in a few test markets. Although the company declined to give sales results, it said the brand performed well and has expanded to additional markets in the Midwest.

Frito-Lay also entered the $2.5 billion retail sales packaged cookie market with the introduction of GrandMa's brand cookies in three test markets. Frito-Lay said sales in test markets earned the GrandMa brand the No. 2 spot in those areas. The company expects to complete introduction of the snack by the end of 1984.

Of note in the Frito-Lay division in 1982 was the death Dec. 6 of Herman W. Lay, co-founder of the company. When Frito-Lay merged with Pepsi-Cola in 1965, he became chairman of PepsiCo. In 1971, he became chairman of PepsiCo executive committee, and he retired in 1980.

In PepsiCo's food service division, which comprises Pizza Hut, Taco Bell and PepsiCo Food Service International, sales reached $1.26 billion in 1982, as earnings totaled $119.3 million. In 1982, Pizza Hut had an estimated ad budget of $50 million, representing a 60% increase in ad spending and a switch to stronger emphasis on local marketing. A new campaign continued the "Home Town Pizza Hut" theme.

Pizza Hut also launched a massive store remodeling program and introduced some new products. Company officials said the $200 million remodeling program for the 4,000-unit chain is designed "not to change Pizza Hut's image but bring it into the 1980s." Plans call for the opening of some 100 new stores in 1982 and double that amount in 1983.

Product expansion included the introduction of Pan Pizza throughout the system. Also, the chain implemented a lunch program in 440 restaurants with a 6-in. personal pan pizza served in five minutes.

Taco Bell, a 1,600-store chain in 46 states, is considered the undisputed leader in the Mexican fast-food segment, with an estimated market share of nearly 50%.

In 1982, Taco Bell selected Tracy-Locke/BBDO, Dallas, to handle its nearly $20 million account, replacing Grey Advertising, Los Angeles. The agency also handles PepsiCo's Frito-Lay account.

Like Pizza Hut, Taco Bell also underwent an expansion and facelift, including a drive-through service that the company claims can increase the sales of a single restaurant up to 15%. In addition, Taco Bell introduced Taco Bell Grande—a "two-handed sandwich"—in July.

PepsiCo Food Service International, responsible for foreign restaurant operations and for food and equipment supply systems at Pizza Hut and Taco Bell in the U.S., oversaw the opening of nearly 50 company-owned restaurants abroad.

PepsiCo's transportation division, consisting of North American Van Lines, a nationwide household goods mover, and Lee Way Motor Freight, an interregional carrier, saw revenues drop 5% to $688.1 million and earnings fall 53% to $15.2 million in 1982 from 1981 levels. The company blamed the declines on weak levels of U.S. industrial production and marginal price increases in the trucking in-

BROADCAST GROUPS	NET WEEKLY CIRCULATION
1. METROMEDIA-TV	17,939,000
2. ABC-TV	16,191,000
3. CBS-TV	16,014,000
4. NBC-TV	15,354,000

THE CREAM ALWAYS RISES TO THE TOP.

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Metromedia is proud of its position among all Broadcasting Groups (not just the network O&O's). And we will continue to search out the kind of programming that will be sure to keep us the industry leader.

METROMEDIA TELEVISION

New York, Ch. 5, WNEW-TV • Los Angeles, Ch. 11, KTTV • Chicago, Ch. 32, WFLD-TV • Boston, Ch. 5, WCVB-TV
Washington, D.C., Ch. 5, WTTG • Houston, Ch. 26, KRIV-TV • Cincinnati, Ch. 19, WXIX-TV

Source: May 1983, NSI Reports, Station Total HH, Sunday-Saturday 7 am-1 am. Data are estimates and are subject to qualifications in reports used.

dustry.

In PepsiCo's sporting goods division, Wilson Sporting Goods had sales of $318.5 million in 1982, an increase of 37% over 1981. Earnings were up 15%, reaching $19.2 million.

Wilson claimed that it has a corner on more than 50% of the golf equipment market. Additionally, it said that it has maintained its current market share in racket sports and improved market share in team sports equipment.

One of its main product introductions in 1982 was the colored Optic Orange golf ball, which, commercials for the ball say, speeds up the game because it is easier to see and locate. Other introductions included a metalwoods series of golf clubs and Tiara clubs, for women.

In the rackets product area, Wilson introduced Sting and Ultra graphite rackets, which it claims are growing in popularity among tennis players.

Jim Hammett

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$2,853,400	$2,712,100
Magazines	9,417,300	3,610,300
Spot tv	87,728,200	69,767,500
Network tv	75,857,800	68,733,100
Spot radio	16,544,200	11,416,600
Network radio	2,781,700	—
Outdoor	1,133,500	924,500
Total measured	196,316,100	157,164,100
Unmeasured	108,683,900	102,835,900
Estimated total	305,000,000	260,000,000

PEPSI-COLA USA

Marketing Personnel

Roger Enrico, president-ceo
Robert Sander, senior vp-sales
Dan Clark, vp-brand mktg
Allan Pottasch, senior vp-creative services
Henry Hayes, media director

PEPSI-COLA BOTTLING GROUP

Marketing Personnel

Robert G. Dettmer, president
Craig Weatherup, senior vp-sales

Advertising Agencies

BBDO, New York—Pepsi-Cola, Diet Pepsi, Pepsi Light, Pepsi Free, Mountain Dew—John Dunning, mgmt super. Pepsi—Dan Levinson, acct super; Stuart Martin, Patsy Badger, acct execs. Pepsi Free—Bill McDaniek, acct super, Linda Torossian, acct exec. Diet Pepsi, Mountain Dew—Bill Katz, acct super; Andy Doppelt, Andy Russem, acct execs.

J. Walter Thompson USA, New York—Teem, On-Tap root beer—Peter Schweitzer, mgmt director.

Conill Advertising Associates, New York—domestic Hispanic adv, all brands—Rafael Conill, chairman, Alicia Conill, president, creative director.

Mingo-Jones Advertising, New York—black consumer adv and special projects—Frank Mingo, president; Carolyn Jones, creative director.

Tracy-Locke/BBDO, Dallas—Ed Winter, vp; Jim Wilson, mgmt super.

PEPSI-COLA INTERNATIONAL

Marketing Personnel

Robert H. Beeby, president, ceo

Advertising Agencies

BBDO International, New York—Bernard Lee, mgmt super; William Oswald, acct super; Tracey Gakle, acct coordinator.

J. Walter Thompson, New York—Tony Clarvall, mgmt super.

PEPSI-COLA BOTTLING INTERNATIONAL

Marketing Personnel

Thomas J. Rattigan, president and ceo
Ch[illegible]er Filmer, mktg director

Advertising Agencies

[illegible]ternational, New York—Ber[illegible] mgmt super; William Oswald, acct supe[illegible], Tracey Gakle, acct coordinator.

J. Walter Thompson, New York—Tony Clarvall, mgmt super.

PEPSICO FOODS INTERNATIONAL

Marketing Personnel

John S. Pingel, president
Robert A. Pene, vp-mktg

Advertising Agencies

Tracy-Locke/BBDO, Dallas—David Novak, Mike Rawlings, international coordinators.

Young & Rubicam, New York.

Foote, Cone & Belding, New York—John Howard, William McDonough, mgmt directors.

FRITO-LAY

Marketing Personnel

Michael H. Jordan, president
Leo Kiely, vp-mktg
Jack DeMarco, vp-sales
Patt Korr-Roschke, group mgr-mktg services

Advertising Agencies

Foote, Cone & Belding, New York—GrandMa's cookies, Fritos corn chips, TaTos potato chips, O'Grady's potato chips—John Howard, group mgmt director; William McDonough, mgmt director. Fritos, O'Grady's and TaTos potato chips—Chris Novak, acct director; Gary Gluck, acct exec. GrandMa's cookies—Michael Miller, acct director; Fred Langbecker, acct exec. O'Grady's and TaTos potato chips—Leigh Hubler, acct exec.

Young & Rubicam, New York—Ruffles potato chips, Cheetos cheese puffs, Rolled Gold pretzels, new products—Dave Cramoy, mgmt super; Peter Nicholson, acct super; Paul Lorant, Marcia Wasser, acct execs; Frank DeVito, group creative director; Clark Frankel, assoc creative director.

Tracy-Locke/BBDO, Dallas—David Novak, mgmt super. Doritos, Tostitos, Baconettes, Funyons—Mike Rawlings, acct super. Lays potato chips, Sun Chips, new products—Denny Post, acct super. Acct execs: Scott Helbing—Doritos; Peter Mitchell—Tostitos; Terry Davenport—Lays potato chips; Tobi Cox—new prods.

PIZZA HUT

Marketing Personnel

Arthur G. Gunther, president, ceo
Michael Jenkins, senior vp-mktg
Bud Gates, director-corporate communications

Advertising Agency

Foote, Cone & Belding, Chicago—Bruce Mason, senior vp-group mgmt super; Mitch Engel, acct super.

TACO BELL

Marketing Personnel

Larry Higby, senior vp-mktg
John Moorhead, vp-adv and promo
Pat Morris, vp-field mktg
John Lyon, mktg devel director

Advertising Agency

Tracy-Locke/BBDO, Dallas—Rod Underhill, mgmt super.

LEE WAY MOTOR FREIGHT

Marketing Personnel

Larry K. Yarbrough, exec vp-sales and mktg
P.A. Fox, vp-sales

Advertising Agency

Ackerman & McQueen, Oklahoma City—J. Nauser.

NORTH AMERICAN VAN LINES

Marketing Personnel

Kenneth W. Maxfield, president
Joseph D. Ruffolo, exec vp-household goods div
Thomas P. Fagan, vp-sales
Blaine Sowers, president-commercial transport div
Michael Breslin, vp-sales, commercial transport div
Rob Fletcher, director-natl acct sales
Robert Lake, exec vp and general mgr
Rich Buckley, exec vp and general mgr-high value prods
Tom Harris, vp-general mgr, intl div
Tom Zirk, vp-U.S. sales, intl

Advertising Agency

Doe-Anderson, Louisville, Ky.—Phil Payne, acct super.

WILSON SPORTING GOODS

Marketing Personnel

Willard C. Korn, president and ceo
John M. Craynor, senior vp-mktg
Terry G. Lee, senior vp-sales

Advertising Agency

Leo Burnett USA, Chicago—Bill Boris, Steve Gritton, acct supers.

Pfizer Inc.

	1982	1981
Sales	$3,453,600,000	$3,249,700,000
Earnings	332,800,000	273,700,000
Advertising*	65,687,500	59,000,000

*AA estimate

Pfizer Inc., the nation's 85th largest advertiser, increased its domestic ad spending 11% to an estimated $65.7 million.

Worldwide sales for the company increased 6% to $3.5 billion from $3.3 billion in 1981. Net income rose 22% in 1982, from $273.7 million to $332.8 million. U.S. sales in 1982 reached $1.6 billion, a 14% increase over the previous year. As a percentage of total sales, the U.S. portion was 47%, up from 43% in 1981.

In the first quarter of this year the company's sales increased to $910 million, up 11% from the first quarter in 1982. Net income rose 25% in the quarter, from $89 million to $111 million. Pfizer operates five business segments: Healthcare, consumer products, agriculture, specialty chemicals and materials science. In 1982, only healthcare posted a sales gain of 16%. In this year's first quarter that segment again led the field, with a sales increase of 24%.

Sales in the consumer products division declined 3% last year. The drop was attributed to the conversion of Japan's Coty operation to a distributorship; the segment would have posted a 2% sales gain without that loss in sales. In the first three months of this year consumer products posted an 8% sales decline.

Leeming/Pacquin and Coty comprise the bulk of Pfizer's consumer products business. The former markets proprietary drugs, including Ben-Gay ointment and Unisom sleep aid. Both had particularly strong performances last year.

Ben-Gay's advertising budget increased by 88%, from $3.4 million to $6.4 million. Leeming/Pacquin is hoping to expand the brand's use by promoting it for application both before and after exercise. Tennis star Ivan Lendl appears in Ben-Gay tv spots in his first commercial endorsement.

In a major ad budget leap, Pacquin body cream received $1 million in spending, compared to $40 thousand in 1981. In both years all money went to magazines.

Coty's largest product category, women's fragrances, declined 15%, suffering from the downturn experienced by the entire fragrance industry.

The company increased ad spending for Stetson, a line of men's fragrances introduced late in 1981, from $3.9 million to $4.6 million.

Ad spending for Sophia perfume dropped 12%, from $6.1 million to $5.4 million. Last year Coty extended the line to include the Sophia Body Spa Collection.

Coty also introduced a new "24" Luminescent Lipstick, a long-lasting pearlized lip color. Coty lipsticks had a 216% ad budget increase, from $253,000 to $800,000.

In healthcare Pfizer pursued an aggressive path with new-product introductions in 1982. Procardia, a cardiovascular agent for angina treatment that was introduced early in 1982, had sales of $81 million in its first year on the market. The FDA warned Pfizer late in the year on its comparative ad claims involving the new drug.

Feldene, a once-daily antiarthritic drug, also launched in the U.S. in 1982, achieved domestic sales of $150 million for the year and reached $314 million worldwide. Minipress, an antihypertensive agent, had a 17% sales increase last year, and this year Pfizer plans to file an application for Cardovar, another drug in this field. In December, 1982, Pfizer introduced Cefobid here. The injectable cephalosporin antibiotic reached $15 million in U.S. sales by the end of this year's first quarter.

Backing these new products is a variety of trade and consumer advertising. A series of ads in newspapers in eight cities deals with high blood pressure and angina. The company is planning to release those ads nationally. In November, the company cosponsored a live four-hour "Informathon" with the American Heart Assn., on the Cable Health Network. And the American Diabetes Assn. joined with Pfizer to present posters in physicians' offices asking "Can You Recognize This Diabetic?" The posters feature deceased notables who had the disease.

In January of this year, Pfizer acquired Valleylab Inc., a manufacturer of electronic medical devices, in a stock swap.

Abbe Wichman

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$420,200	$24,500
Magazines	7,487,900	4,140,200
Farm publications	1,672,000	2,232,200
Spot tv	1,499,000	423,400
Network tv	32,486,600	31,403,200
Spot radio	151,000	1,900
Network radio	75,000	—
Outdoor	—	700
Total measured	43,791,700	38,226,100
Unmeasured	21,895,800	20,773,900
Estimated total	65,687,500	59,000,000

AGRICULTURAL DIVISION

Marketing Personnel

R.M. Hendrickson, president
E.T. Hughes, vp of sales, animal health
R.A. Stacchini, mgr. mktg. services, animal health
R.G. Klein, group product mgr, animal health

Advertising Agencies

Barickman Advertising, Kansas City—animal health—Jim Aust, acct super.

[illegible]wer Advertising, Kansas City—genetics—A.J. Adolfi, acct super.

LEEMING/PACQUIN DIVISION

Marketing Personnel

J.F. Harmon, president, worldwide Coty operations, exec vp-consumer prods.
J.F. Anderson, vp-mktg
T.F. Coughlin, vp-sales

Advertising Agencies

Avrett, Free & Ginsberg, New York—Unisom—Paul Obre, acct super; Don Badman, mgmt rep.

McCaffrey & McCall, New York—Ben-Gay, Desitin, Pacquin, Rheaban—Burtis Flounders, mgmt super; Janet Boyle, acct super.

Ted Bates Advertising, New York—Visine, A.C.—Malcolm McConnell, mgmt super, Arnie Schartz, acct super.

COTY DIVISION

Marketing Personnel

J.F. Harmon, president, worldwide Coty operations, exec vp consumer prods
J.T. Markowski, vp-mktg
J.L. Abernathy, vp-sales

Advertising Agencies

Hicks & Greist—Sophia and cosmetics—Josann Avery, acct exec.

Warwi[illegible] Advertising—Emeraude and Stetson—Pam Sarnoff, acct exec.

John Paul Itta Inc., New York—Nuance—Marc Engelsman, acct exec.

Adforce Inc., New York—Robert Geller, president; John McAvity, vp-broadcast; Martin Gennusa, vp-media.

CHEMICAL DIVISION

Marketing Personnel

F. Adams Jr., president
D.F. Farley, vp-operations
P.J. Regan, vp-operations
W.D. Benfer, vp-U.S. sales
F.P. Chapman, vp-mktg
Vincent DeGennaro, director, adv and promo
C.N. Mastin, genl sales mgr.

Advertising Agency

D'Arcy-MacManus & Masius, New York—F.P. Harvey, senior vp-mgmt super; Charles Rose, vp-acct super; D.E. Bray, acct exec.

PFIZER PHARMACEUTICALS

Marketing Personnel

S.G. Gilgore, president
J.E. Jefferis, vp-medical director
J.N. Arvesen, director, mktg resch/planning

PFIZER LABORATORIES

Marketing/Sales Personnel

W.C. Steer, vp & director, operations
G.N. Jortner, vp-mktg
W.[illegible] Robison, vp-sales
K. Katen, director, prod mgmt

Advertising Agencies

Klemtner Advertising, New York—Vibramycin, Terramycin, Oral Vistaril, other ethical drugs—Morgan Cline, president.

William Douglas McAdams Inc., New York—Diabinese—Eugene Fine, vp; Howard Mandlebaum, senior vp

Dorritie & Lyons, New York—Minipress, Minizide, Feldene, Procardia, Renese—John Dorritie, president

ROERIG DIVISION

Marketing Personnel

P.G. Tombros, vp-director, operations
L.L. Larkin, vp-sales
R.J. DeL[illegible]ccia, vp-mktg

Advertising Agencies

Robert A. Becker Inc., New York—Geopen, Geocillin, Antivert, Atarax.

Dorritie & Lyons, New York—Marax, Cefobid—Jim Streup, vp.

Klemtner Advertising—Spectrobid—Zahavi, acct super.

Carrafiello Diehl—Sinequan, Navene.

Carrafiello Diehl, New York—Glucotrol—Tony Bennett, senior vp.

PFIPHARMECS DIVISION

Marketing Personnel

F.D [illegible]ice, vp-director of operations
S.R. Harr, director of mktg & sales

Advertising Agencies

S.G. Weinstein Associates

Altschiller Reitzfeld Solin/NCK, New York

MINERALS, PIGMENTS & METALS DIVISION

Marketing Personnel

W. Nazarewicz, vp-minerals
H.W. Flandreau, vp-mfg
P.A. Guercio, vp-metals
W.M. Stephson, vp-magnetic materials business devel
G.L. Metcalf, vp-pigments/magnetics
H.F. S[illegible]lte, mktg services mgr

Advertising Agency

Adforce Inc., New York

HOWMEDICA INC.

Marketing Personnel

T.W. Eckels, chairman
E.C. Bessey, president & ceo
R.B. Whitman, senior vp
D.M. Fitzgerald, senior vp, worldwide orthopedics

Advertising Agency

Techni-Graphics—Hugh Phares, president.

QUIGLEY CO.

Marketing Personnel

J.P. Bartels, chairman
J.C. O'Donoghue, president
D.R. Holmes, vp-tech operations
L.J. Dreyling, vp-technical
R.M. Galloway, vp of sales and mktg.

ADFORCE INC.

Marketing Personnel

Robert J. Geller, president
John M. McAvity, vp-broadcast
Martin J. Gennusa, vp-media

Pillsbury Co.

	1982*	1981**
Sales	$3,700,000,000	$3,400,000,000
Earnings	138,900,000	136,300,000
Advertising*	170,427,000	131,015,100

*AA estimate
**Fiscal year ended May 31

Pillsbury Co., the nation's 36th largest advertiser in 1982, increased ad spending to $170.4 million, 30.1% more than the previous year.

The company reported fiscal 1983 net earnings of $138.9 million, up 2% from fiscal 1982's $136.3 million, on sales of $3.7 billion, up 9% from $3.4 billion in fiscal 1982.

Pillsbury made headlines at year's end and again this spring with two comparative ad campaigns for Burger King, the company's most heavily advertised unit. Directed against McDonald's Corp. and Wendy's International, the first campaign drew legal action from both competitors. McDonald's objected to Burger King's claim of hamburgers that are "20[illegible] larger" than McDonald's; W[illegible] was most concerned about what it said were comparisons between the Whopper and Wendy's single sandwich and about claims that its hamburgers are fried.

The three chains settled out of court, apparently after Burger King agreed to phase out the campaign by year end. But in March, when the Miami-based chain fired another "broiling vs. frying" salvo against McDonald's with a new campaign, McDonald's remained silent. The campaign, part of Pillsbury's over-all attempt to improve the chain's returns, had obvious positive effects on BK sales; the company reported per unit growth of 10% for fiscal 1983, in contrast to the 3% growth it experienced in 1982. Burger King finished calendar 1982 with an estimated 6.5% of the domestic fast-food market.

Burger King subsequently returned to its "Aren't you hungry" theme using new executions.

For calendar 1982, Burger King's measured media spending totaled $65 million, more than 39% above its 1981 level. The so-called Battle of the Burgers campaign last fall and this spring is said to have cost $20 million.

In April, Burger King announced an agreement with Great Britain's Imperial Group, parent of Howard Johnson's, which will give Burger King U.S. turnpike locations. Howard Johnson's will become the sole franchisee of Burger King in turnpike service plazas in all toll road states.

Burger King attracted additional attention this spring when it signed a joint trade covenant with Operation PUSH to increase business and employment opportunities for blacks and minorities. Pillsbury termed the pact, representing the company's first concerted effort to increase business from blacks, an integral part of the company's attempt to increase its market share.

During the year, the company sold its ailing regional Poppin Fresh Pies restaurant unit to Vicorp Restaurants, a Denver-based chain of pancake houses, for an undisclosed amount, explaining that it prefers national restaurant concepts. While ad support of Poppin Fresh restaurants logically dropped about 31%, to about $1.05 million, support for Steak & Ale jumped 58.7%, to about $5.6 million, and Bennigan's advertising budget nearly tripled, to $1.27 million.

The latest management changes in the restaurant group followed the resignation in June, 1983, of its president, Norman Brinker, who became chairman-chief executive officer of Chili's Inc., Dallas. In the wake of his departure, J. Jeffrey Campbell, who had been named to the new post of president of Burger King's worldwide oper-

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ations a month before, was named Burger King chairman-chief executive officer, and Hal Smith, former president-chief operating officer of S&A Restaurant Corp., was named its chairman-chief executive officer. Michael Jenkins, formerly exec vp at Steak & Ale, succeeded Mr. Smith.

Pillsbury said it is considering taking an "equity position" in Chili's.

The company moved toward increasing its retail presence in other arenas, too, by purchasing Haagen-Dazs, marketer of superpremium ice cream in the retail market and in franchised stores. Retail sales, manufacturing and distribution operations will be added to Pillsbury's consumer group, while Haagen-Dazs Franchising Co. will become part of the restaurant group.

The company plans to open 150 new franchise stores over the next few years, but also intends to supplement those units with company-owned stores. Haagen-Dazs founder Reuben Mattus will be chairman of Haagen-Dazs under Pillsbury, while his daughter, Doris Mattus Hurley, continues as president and general manager of Haagen-Dazs Franchising Co. and her husband Kevin Hurley will be president and general manager of Haagen-Dazs retail operations.

Pillsbury confirmed its stated intentions of acquiring new units for the consumer food group with its acquisition of the B&B canned mushroom line from Clorox Co.

Pillsbury lost a $62 a share bid for Stokely-Van Camp this summer as Quaker Oats moved into the bidding at $77. Pillsbury is expected to continue its search for new acquisitions.

Pillsbury completed a national rollout of Totino's brand pizza during fiscal 1982 by entering northeastern markets. Still holding the No. 1 spot with about 30% of the estimated $1 billion retail frozen pizza market, the company reformulated its Totino's Classic pizza into a heavier, premium pizza, under the name, My Classic pizza, in an attempt to ward off growing foodservice pizza sales.

Measured advertising for the Totino's line, which dipped nearly 40% to $1.5 million in calendar 1982, is expected to increase during the next year, after new spots for My Classic pizza, featuring Rose Totino, break this fall.

The company also moved the five-item line of Totino's brand Heat & Eat microwave pizza into Minneapolis supermarkets in June, 1982, and later expanded it into other selected markets.

The Haagen-Dazs acquisition put into perspective Pillsbury's August, 1982, test market entry of Spooner's Soft Serve, a soft-serve mellorine dessert, in Erie, Pa., and Fort Wayne, Ind. The product, now being evaluated following its removal from test markets, was supported with tv and couponing.

Pillsbury pledged heavy advertising support for last fall's national introduction of two new items: All-Ready pie crusts and Pipin' Hot Loaf. One Pillsbury executive said the company planned to raise fiscal 1983 ad spending for the refrigerated group to $70 million from $55 million in fiscal 1982. Measured media for refrigerated products in calendar 1982, however, amounted to $21.4 million.

All-Ready pie crusts, rolled out after three years of testing, pushed Pillsbury into the $101 million frozen pie shell category. During calendar 1982, Pillsbury spent $4.2 million in measured media for All-Ready pie crusts.

Pipin' Hot Loaf, refrigerated white-bread dough, debuted nationally around the same time. The product's success led the company to move two more flavors—rye and wheat—into test markets around the end of last year; wheat is being readied for national introduction during fiscal 1984. Advertising for Pipin' Hot Loaf is themed "There's a new loaf comin.'" Using the same yeast-character dough technology, the company early this year entered undisclosed markets with Pipin' Hot Loaf cinnamon rolls, apple danish and soft bread sticks.

This fall, Pillsbury plans to introduce new fudge brownie refrigerated dough as an extension to its leading refrigerated dough line. The company is predicting annual sales of $20 million to $30 million.

Pillsbury renewed its effort to increase its share of the frozen vegetables and frozen entrees markets by backing its Green Giant line with heavier ad support. Measured spending for Green Giant vegetables increased 10.7% to $5.2 million, while the budget for frozen entrees rose 38% to $1.8 million.

In a major move intended to help the Green Giant frozen entree line compete against Stouffer's Lean Cuisine, Pillsbury late this summer entered 12 Green Giant frozen entrees with packages flagged for calorie counts. The repositioned entrees will be backed by couponing and point of purchase ads. Pillsbury holds about 5% of the $1.2 billion frozen entree market, compared with double that share for Lean Cuisine. The company also introduced new boil-in-bag entrees and a six-item line of frozen vegetables packed in liquid. The Fiesta Grande line of frozen Mexican entrees was pulled from the market in late 1982.

TOP 25

Spot radio advertisers

Rank	Advertiser	Expenditures (in thousands) 1982	1981
1	Anheuser-Busch Cos.	$36,801.0	$34,432.2
2	General Motors Corp.	31,024.3	32,431.1
3	Chrysler Corp.	28,376.6	50,760.5
4	Ford Motor Co.	23,100.0	32,199.6
5	Philip Morris Inc.	22,677.[illegible]	18,113.2
6	AT&T Co.	18,869.[illegible]	16,367.1
7	PepsiCo Inc.	16,544.2	11,416.6
8	Coca-Cola Co.	14,185.3	12,480.5
9	UAL Inc.	14,135.9	8,421.3
10	Stroh Brewery Co.	12,667.4	101.0*
11	American Honda Motor Co.	11,866.2	5,485.0
12	Delta Air Lines	11,746.5	10,310.2
13	Nissan Motor Co.	11,382.6	7,666.8
14	Eastern Air Lines	10,238.2	6,967.8
15	U.S. Government	10,183.6	13,374.9
16	Adolph Coors Brewing Co.	8,898.0	8,274.0
17	AMR Corp.	8,429.2	6,763.6
18	Trans World Corp.	7,371.7	4,757.2
19	Southland Corp.	7,882.6	7,804.6
20	Martlett Importers	7,773.3	2,424.9
21	Van Munching & Co.	7,325.1	7,155.6
22	Greyhound Corp.	7,044.0	8,766.0
23	F.W. Woolworth Co.	6,431.2	2,574.3
24	Pillsbury Co.	6,120.3	2,376.6
25	Zayre Corp.	5,799.0	5,571.1

*Prior to merger with Jos. Schlitz Brewing Co. In 1981, Schlitz spent $8,343,300.
Source: Radio Advertising Bureau, Radio Expenditure Reports

The company supported its Green Giant canned vegetables line by product category. Over-all, measured advertising dropped about 10% for the line, to $878,800. In addition, canned mushrooms received $530,000 and the Le Soeur line received $389,000.

In March, Pillsbury introduced nationally a three-item line of Fudge Jumbles dessert mixes, which creates a three-layer snack bar confection with a chewy oatmeal base. The company maintained its estimated 21% share of the cake mix category. Most of the $2.5 million spent for advertising Pillsbury Plus cake mixes and Frosting Supreme ready-to-spread frostings supported the new coconut pecan and coconut almond Frosting Supreme items and the German chocolate and new Oats 'n Brown Sugar cake mixes that they accompany.

Pillsbury made its first significant push into cable tv advertising over the past year, using superstation WTBS-TV and the USA Cable Network for dessert mixes, refrigerated dough and frozen vegetables, and the Weather Channel primarily for sweet rolls and Hungry Jack biscuits.

In a series of management changes this spring, Ray Kimrey, previously group vp-general manager for refrigerated products, was named senior vp-business development and Thomas Reddy, previously director of business development, was named to the new post of business unit manager for toaster products. Thomas McBurney was named group vp-frozen and refrigerated products, succeeding Mr. Kimrey in refrigerated products and Kent Larson in frozen products. Mr. Larson became group vp-dry grocery businesses succeeding Mr. McBurney. During the year, Robert L. Lindsay Jr. was named vp-marketing for refrigerated foods, but retained his earlier responsibilities as director of marketing for refrigerated foods.

Internationally, Pillsbury introduced Totino's Crisp Crust pizza in England as Crispa Pizza last October. Pillsbury GMBH, the German subsidiary, this June acquired Hofmann Menu, a frozen food marketer.

Janet Neiman

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$2,134,300	$2,121,200
Magazines	4,858,600	5,599,800
Spot tv	46,122,800	32,590,600
Network tv	72,942,000	59,265,500
Spot radio	6,120,300	2,376,600
Outdoor	736,900	402,000
Total measured	132,914,900	102,355,700
Unmeasured	37,512,800	28,659,400
Estimated total	170,426,700	131,015,100

CONSUMER PRODUCTS GROUP

Marketing Personnel

John Stafford, president
Raymond V. Kimrey, senior vp-business devel
Donald Osell, vp-mktg services
William Edgley, director-adv services
Amelia Grinstead, mgr-media services
Barry Schwabe, mgr-media services

DRY GROCERY PRODUCTS

Kent Larson, group vp-dry grocery
Dan Locke, vp-genl mgr, value added/specialty prod
John Darcy, director-mktg, value added/specialty prod
L. Thomas Gartner, vp-genl mgr, basic foods
William Barker, director-mktg, basic foods
Kenneth Reis, vp-genl mgr, canned vegetables
Dave Crum, dir-mktg, canned vegetables

REFRIGERATED FOODS

Thomas McBurney, group vp-frozen and refrig prod
Robert Lindsay, vp-genl mgr
Gary Eastburn, group mktg mgr-biscuits
George Flett, group mktg mgr-specialty prod
Bill Howe, group mktg mgr-Pipin' Hot Loaf
John Levine, group mktg mgr-new prod

FROZEN FOODS GROUP

Thomas McBurney, group vp-frozen and refrig prod
W. Richard Nickel, vp-genl mgr, pizza
A. Richard Anderson, director-mktg, pizza
George McCarthy, vp-genl mgr, entrees
Ronald Kos, director-mktg, entrees
Gary Klingl, vp-genl mgr, frozen vegetables
Dave Webber, director-mktg, frozen vegetables

RESTAURANT GROUP

J. Jeffrey Campbell, chairman-ceo, Burger King Corp.
Jerry Ruenheck, president-chief operating officer, Burger King Corp.
Kyle Craig, exec vp-mktg, Burger King Corp.
Hal Smith, chairman-ceo, S&A Restaurant Corp.
Michael Jenkins, president-ceo, S&A Restaurant Corp.
Gary Satanik, director-mktg rsch, S&A Restaurant Corp.
Lane Cardwell, vp-mktg support, S&A Restaurant Corp.
Bill Floyd, vp-mktg, Bennigan's
Tom McGrath, mktg mgr, Bennigan's
Norma Karter, promotion mgr, Bennigan's
Scott Burcham, vp-mktg, Steak & Ale
Pat Gordon, mktg mgr, Steak & Ale

BURGER KING CORP.

Marketing Personnel

Kyle Craig, exec vp-director of mktg
Nick Castaldo, group director-adv and promo
Scott Stubble, director-promo
Greg Thomas, director-new prods
Mike McCaffrey, director-mkt rsch
Jerry Singer, director-corp communications
John Weir, director-pr

AGRI-PRODUCTS GROUP

Richard Coonrod, president

Advertising Agencies

Leo Burnett USA, Chicago—Green Giant prods, refrigerated foods, Hungry Jack potatoes and pancakes—Bill Boris, exec vp; Bill Wohlfeil, acct director.

BBDO, New York—cake and bread mixes, frostings, All-Ready pie crusts, artificial sweeteners, new prod—Robert Spofford, mgmt super.

Paragon Cos., Minneapolis—Totino's pizza, Heat 'n Eat microwave pancakes and popcorn, Margaret Bakers' cheesecake—Phil Hummel, vp.

Ketchum Advertising, San Francisco—family flour, Figurines, American Beauty pasta, new prods—Robert Kroyer, chief operating officer.

J. Walter Thompson USA, New York—Burger King—Stephen G. Bowen Jr., senior vp.

Pride, Barber & Pride, Minneapolis—bakery flour, mixes and equipment, foodservice—William Barber, president, director of client services.

SSC&B, New York—Steak & Ale, Bennigan's restaurants—Terry Rosenquist, mgmt super.

Polaroid Corp.

	1982	1981
Sales	$1,293,900,000	$1,419,600,000
Earnings	23,500,000	31,100,000
Advertising*	47,754,600	51,750,000

*AA estimate

Mired in a nearly saturated instant-photography market, Polaroid Corp., Cambridge, Mass., the 95th largest advertiser in the nation, cut its advertising expenditures last year to an estimated $47.7 million, 7.7% below the $51.8 million spent in 1981.

Company officials also blame the continuing worldwide recession for Polaroid's ills, which included a 9% drop in worldwide sales, down to $1.29 billion in 1982 from $1.42 billion in 1981. Likewise, earnings plunged for the second straight year, falling 24% to $23.5 million, although this pales when compared to the 64% earnings loss the company suffered in 1981.

Although Polaroid continued its domination of the instant-camera field with almost 75% of the market, total sales of instant cameras continued plummeting to only 3.5 million units, down from 4 million in 1981 and a far cry from the instant-camera peak of 9.4 million in the halcyon days of 1979. One half of Polaroid's instant-camera sales last year were for the 600 Series, which were in their first year of distribution.

Sales of instant film for both amateur and technical instant cameras fell for the third straight year below 200 million units, although not as sharply as did camera sales. Polaroid maintained its 25% share of the instant film market.

Polaroid's chairman, William J. McCune Jr., acknowledged the company's overdependence on the amateur instant-camera market when he took office in 1980, and ever since then he's said his aim is to diversify into more technical and industrial fields, which currently account for about 30% of Polaroid's worldwide sales. Yet 1982 marked the first year that the company was seen to have stepped boldly into technical areas. Not coincidentally, 1982 also marked the year Polaroid founder Edwin H. Land severed his last official ties with the company, retiring as both chairman and as a director. Mr. Land was well known to have opposed efforts to bring instant-camera technology into the industrial market.

Indeed, the headline-making product Polaroid introduced last year was not yet another camera, but rather the Autoprocess 35mm System, a three-minute slide processor aimed primarily at technical and industrial users. The unit contains a "processor pack" of chemicals and a 35mm slide mounter. Polaroid also introduced three types of 35mm films to accompany the unit, which fit conventional 35mm cameras and can be developed into color and black-and-white slides. But unlike other previous Polaroid products, the Autoprocess System can use any film and not just the company's own.

The system has been priced under $100, and so is within the reach of amateur photographers as well. But because slide-takers now make up only 15% of all snapshooters, Polaroid is depending upon the commercial marketplace for the bulk of the buyers. Marketing of the system began this past April in Boston, St. Louis and San Francisco, deemed centers of applied photography, commerce and industry. It will be introduced in Europe this fall and throughout the U.S. by the end of the year.

Some observers, however, have their doubts about the competitiveness of the Autoprocess System, especially in its crucial battle against industry leader Kodak's Kodachrome color-slide film. They say the Polaroid color product looks too "grainy" when developed, that it is too costly, and that all the pictures in a standard roll of film must be developed at the same time. But Polaroid argues that the system's chief virtue is, indeed, its immediacy, and the real question remains whether potential customers will, at least for now, be willing to sacrifice some quality for speed.

On the amateur photography front, Polaroid unveiled the SLR 680, a folding, single-lens reflex camera featuring a built-in electronic flash linked to the camera's sonar auto-focus system, which automatically tilts to direct precise flash illumination. The 680 is the top of the line of Polaroid's 600 Series, which includes cameras using high speed 600 ASA instant color film. Initial sales were said to have exceeded company expectations.

Two new low-price 600 Series cameras were also introduced early this year. The Sun 600 LMS (Light Management System) features a built-in electronic flash and is priced at $39.95, while the One Step 600 uses a ten-shot flash array and an electronic "light anticipation network" and sells for a suggested $24.95.

To advertise the SLR 680, Polaroid backed it with the largest promotional budget in its history. Ads were targeted for affluent customers and advanced photo enthusiasts, with copy stressing the camera's state-of-the-art technology and describing the 680 as the most advanced instant camera for serious photographers.

Spending for the autofocus/sun camera and film in measured media was $18 million, most on network tv. The company spent an additional $4.6 million on ads for cameras, $6.8 million for cameras and film combined, and $5.7 million on film only. Almost 85% of all measured advertising from Polaroid went to network tv.

In addition, the company used three other nationwide campaigns to promote the 600 series of cameras and film, including the return of the popular team of spokespeople, James Garner and Mariette Hartley, in an ad called the "$10 Smile-Back."

Polaroid also teamed up with Delta Airlines to boost sales of the 600 Series. The "Buy a Polaroid 600, Fly Delta Free" promotion offered camera purchasers a free round-trip ticket to anywhere Delta flies when buying a ticket of equal or greater value. Supported with national advertising in more than 80 newspapers as well as on network tv, Polaroid's goal was to reach 90% of all households 15 times. The multi-million-dollar campaign, representing 35% of Polaroid's fall advertising expenditures, was estimated to have created more than $1 million in sales, resulting in the company's biggest Christmas sell-through in more than 10 years.

Polaroid's marketing team was faced with its second big blow in a year when Peter Wensberg, executive vp-director of industrial and technical photography and newly named worldwide marketing group vp, moved to Atari Inc. Only months before, Ted Voss, then worldwide marketing group vp, also left to join Atari. Mr. Wensberg's loss was seen by some analysts as the final, most damaging defection, and as a further sign that the company is still struggling to find a focus. Meanwhile, Joseph J. McLaughlin, group vp, worldwide marketing operations, is heading Polaroid's marketing personnel.

In a move that brings Polaroid's move into the technical marketplace more into focus, the company bought 23% of Image Resource Corp., a small California-based company that is trying to develop cameras that take pictures of videotube displays. This may mark a move toward the production of cameras that create high-quality full-color prints or transparencies of graphic information on computer screens. Polaroid already sells film that makes instant 8-by-10 in. color prints for such applications.

Less than 10% of the 50,000 graphics terminals sold in 1981 were equipped with film recorders, in large part because of the current $6,000 to $8,000 dollar price tag on such a system. But Polaroid officials believe that once prices can be pushed below $1,000, sales to offices will explode.

In another move away from instant cameras, Polaroid will soon begin marketing high-performance videocassettes in selected overseas markets including the U.K., Australia and some parts of Latin America and the Middle East. Called Polaroid Supercolor Videocassettes, they will be available in both VHS and Beta versions and will be introduced into the U.S. market next year.

The company is also working on a patent for a disc camera similar to Kodak's. It takes slides that can be viewed through a small screen in the camera and should be less costly to use than traditional instant cameras. The small camera will finally move Polaroid into the conventional camera field, so long shunned by Mr. Land.

Barry H. Slinker

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$1,397,000	$2,300,500
Magazines	4,558,000	6,418,200
Spot tv	753,000	1,457,200
Network tv	31,036,600	30,334,200
Spot radio	—	539,000
Outdoor	200	—
Total measured	37,944,600	41,049,200
Unmeasured	9,810,000	10,700,800
Estimated total	47,754,600	51,750,000

POLAROID CORP.
Marketing Personnel

Joseph J. McLaughlin, group vp-worldwide mktg operations
Peter Eichorn, vp-intl mktg
Lee C. Brewer, vp-North American mktg
James P. Andrews, director-North American adv
Robert K. Fitzgerald, senior adv mgr
Grant Schneider, adv mgr
Adrian E. vanDorpe, adv director-business and professional prods
Rick Colson, intl adv mgr
Robert H. O'Brien, intl adv mgr
Lawrence E. Beeson, director-intl adv
Lynn W. Keyser, senior adv mgr
Richard P. Giacchetti, adv mgr
Kathleen R. Malone, adv mgr
Minneke Stuyck, adv mgr

Advertising Agency

Doyle Dane Bernbach, New York—domestic acct group—James McConnell, group senior vp; Robert Moehl, vp-mgmt super; William Haldane, acct super; Barbara Vested, acct super; Elizabeth Savage, acct exec; Jack Stanyon, acct exec. International (U.S.): Dennis Byrnes, senior vp-mgmt super; Tony Hagar, acct super; Ned Reece, acct super; Joan Wolf, acct super. Business professional products: John Fenyo, vp-mgmt super; Donna Aird, acct exec; Irene Soeller, acct exec.

Procter & Gamble Co.

	1982*	1981*
Sales	$12,452,000,000	$11,944,000,000
Earnings	866,000,000	777,000,000
Advertising**	726,109,700	671,757,400

*Fiscal year ends June 30
**AA estimate

Procter & Gamble Co., Cincinnati, the perennial No. 1 national advertiser, is estimated to have increased its 1982 advertising and promotion budget in the U.S. by approximately 8% from 1981, to $726.1 million.

P&G continued its aggressive new-product pace, spearheaded by John Smale, named chief executive officer in January, 1981. By mid-1983, the company had approximately 25 products in test market.

In fiscal 1983, ended June 30, P&G reported sales of $12.45 billion, an increase of 4.3% from fiscal 1982. Earnings increased 11.5% to $866 million.

Although the company appears more than willing to invest in advertising, it has begun to express increasing concern over costs by seeking alternatives to network tv sponsorship and stepping up its own tv show production efforts.

P&G spent a hefty $390 million on network tv in 1982 (down only slightly from the previous year), but rising rates led top management this fall to seek ways P&G and the three broadcast networks could work together to hold the line on costs.

Earlier in the year, the company announced that for the first time it would bypass the networks to air original, sponsored tv movies by producing four original two-hour, made-for-tv movies strictly for syndication purposes. In mid-1983, it made what one broadcast executive called the "largest single sponsorship buy in tv syndication history," by buying a $15 million participation package in seven barter-syndication shows from Lexington Broadcast Services.

The company also sought an exemption to the "no national ads" policy for Operation Prime Time dramatic specials.

The company did produce several network movies, and through P&G productions still produces six regular soap operas. It also produces prime time shows and specials.

Although cable tv spending figures are unavailable, P&G has been increasing its commitment to that medium. It was an early supporter of Turner Broadcasting System's Cable News Network, and is a sponsor of Continental Broadcasting Network's weekly cooking program, "At Home with Beverly Nye," and the series, "Together—Shirley & Pat Boone." On cable superstation WTBS it sponsors "The Catlins," a soap opera, and on Cable Health Network, "Mommy, Daddy and Me." It also makes buys on

Welcome to Baltimore
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Introducing a road well traveled by discerning media planners. The road to the Baltimore marketplace.

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And we reach them with new state-of-the-art, full-color printing capabilities – to bring your products to life in a very lively market.

See more of Baltimore's many signs of success: contact our Manager, National Advertising, Diana Zinda, at (301) 332-6395. Or our national representatives, Cresmer, Woodward, O'Mara & Ormsbee.

THE BALTIMORE SUN
Morning. Evening. Sunday.

The Scarborough Report, 1983. Survey of Buying Power, 1983

100

MTV and BET.

Reversing a trend of recent years, the company increased its spending on spot tv to $179 million, or a boost of 39% from 1981. Although some of that increase can be attributed to extensive test-market activity, observers point to its increased use of syndicated fare on independent stations as it hedges its bets with the networks.

In the sales promotion area, as probably the largest user of sampling, couponing, price-off, on-pack and other vehicles, P&G is estimated to have spent $116.7 million in such unmeasured media. In September, 1982, P&G acquired the unadvertised Tender Leaf tea brand from Nabisco Brands, with sales in the $10 million-to-$15 million range. Observers believe P&G bought the brand as a vehicle to market its new flavor technology, said to capture a "true" flavor.

The Tender Leaf acquisition was one more step to establishing P&G strongly in the beverage area. In the coffee business since 1963, P&G has delved further into beverages in recent years with the acquisition of the non-Canadian soft drink business of Crush International and Ben Hill Griffin Inc.'s citrus-processing business. In late 1982, P&G acquired Coca-Cola Bottling Mideast, a Lexington, Ky., Coke bottler. Coca-Cola Co. sued to block the acquisition, claiming it would result in "misappropriation by a direct competitor of trade secret and confidential business information," but the suit was settled out of court.

Less than a year after acquiring Ben Hill Griffin, P&G was in test market with an orange juice line (frozen concentrate and chilled, ready-to-drink). Called Citrus Hill, it was introduced in most of Iowa and Indiana in late 1982, and moved into parts of New England in mid-1983.

The company, as expected, reentered the feminine hygiene business after exiting the market in September, 1980, when its Rely tampons were linked with toxic shock syndrome.

The new Always feminine napkin line was introduced into Minneapolis/St. Paul and parts of North and South Dakota in March of 1983. Always is a 10-item line of maxipads, minipads and pantiliners.

In food products, P&G began to test what many are heralding as its next "blockbuster" product: Duncan Hines ready-to-serve chocolate chip cookies. The five-flavor line moved into Kansas City test in early 1983, generating so much consumer enthusiasm that the company is having problems supplying the market.

In 1982, the company spent $130 million in measured media on 15 laundry products, up almost 13% from a year earlier. During that period, the company's total dollar share of the U.S. detergent category declined slightly to 51%.

The company spent about $56 million on seven bar soaps; $50 million on five dishwashing products; $75 million on its paper products; $140 million on personal care products (a slight decrease); $67 million on food products; $28 million on household cleaning products, and $46 million on beverages (also down slightly), including coffee and soft drinks.

Several brands received more than $20 million in measured media ad support. Crisco shortening and oil were backed with $22 million (up 5%); Duncan Hines dessert mixes with $20.5 million (down 11%); Folger's coffee with $27 million (up slightly); Crest dentifrice with $39 million (down 14% following the aggressive "toothpaste wars" of the previous year); five Ivory products with $27 million (up 13%), and Luvs disposable diapers with $20 million (up 13%).

Missing from that list in 1982 was High Point coffee, whose spending was reduced 71% to $12.25 million.

Those brands receiving between $15 million and $20 million in measured media support: Cheer and Tide detergents, Pampers disposable diapers, Cascade automatic dishwashing detergent and Sure antiperspirant.

Backed by $10 million to $15 million: Joy and Dawn dishwashing liquids, Scope mouthwash, Secret antiperspirant, Head & Shoulders shampoo, Era and Bold 3 laundry detergents, Coast and Safeguard bar soaps, Charmin toilet tissue and Jif peanut butter.

In recent years P&G has become increasingly active in the paper business as the category has matured and private label and generic products have proved they have staying power.

The company continues to market Summit paper towels and toilet tissue, an unadvertised line priced 25% to 30% below its top-selling Bounty towels and Charmin toilet tissue. It expanded distribution of moderately-priced Banner, a toilet tissue, from test markets in parts of Georgia and North and South Carolina to Atlanta, Charlotte, N.C., Dallas, Houston, Jacksonville, New Orleans and parts of St. Louis and Kansas City. Merit, a similarly priced paper towel, has been testing in Washington, D.C., Maryland and parts of Virginia, Delaware and Pennsylvania since July 1982.

Following several rounds of price cutting, P&G's premium-price Charmin was up more than a point in dollar market share, to 19.6%. Ad spending climbed 30% to $10.5 million. White Cloud, a two-ply product, declined slightly to a 7.6% share, as spending was cut 13% to $8 million.

Ad spending on Puffs and Posh Puffs facial tissues, in 70% and 65% of the country, respectively, totaled $5.5 million in 1982, about even with the 1981 level. An improved "softer than ever" Puffs was moved into 43% of the country. Still testing in Omaha/Lincoln and Des Moines is Certain, a premoistened toilet tissue.

Pampers, one of P&G's strongest brands, slipped in dollar share by nearly seven points to 41.5%. Evidently in an attempt to reverse this trend—believed to be partly the result of consumer preference for elastic-leg diapers—the company in early 1982 tested Pampers with elastic in the legs and quickly expanded the version nationally. Spending on Pampers was steady at about $20 million. Luvs, P&G's premium-price, elastic-legged disposable diaper, was backed by $20.2 million in advertising, up 14% from a year earlier. The brand's dollar share grew to 24% from 20%. The company is testing an improved version of Luvs in the Detroit area.

Among adult incontinence products, P&G has been marketing Attends briefs institutionally for several years, and recently made the brand available in medical-supply stores and via direct mail. In early 1983 it began to test in Louisville an improved version said to provide a more comfortable fit and better containment. It also is testing an Attends pad in Cleveland, Des Moines and Waterloo, designed to fit inside underwear and provide skin dryness for light and medium incontinence sufferers. Both test products are available only institutionally.

Although P&G's laundry detergent brands comprise more than 50% of the market, some of its older, more established brands are slipping. Tide had a dollar share of about 21% in 1982, down from 24% in 1981. Other brands off slightly were: Cheer (7.8%), Oxydol (3.1%), Dash (2.6%) and Ivory Snow (1.4%).

Meanwhile, the newer Solo, a combination liquid detergent and fabric softener, achieved a 3.4% share by the end of 1982. Backed by $8.6 million in advertising, Solo competes directly against Texize's Yes, which has a 2.3% share.

In late 1982, P&G rolled out nationally with Era Plus, a new formulation of the heavy-duty liquid detergent with enzymes. That brand had a 4.8% share at the end of 1982.

A product that P&G reportedly regards as a long-term winner is Ariel, a concentrated low-sudsing granular detergent. It is testing in Colorado, Wyoming and parts of Nebraska, South Dakota, Utah and New Mexico. Ariel is the company's largest-selling detergent worldwide.

The company continued to test Vibrant dry bleach in Charleston, W. Va. In regular fabric softeners, P&G rolled out nationally with an unscented Bounce, and it put a superconcentrated formula of Downy liquid fabric softener into test. Ad spending on Bounce was up more than 30%, to $17 million, and climbed 19% on Downy, to $16.7 million.

In dishwashing liquids, the company lost a little ground, most likely to Lever Bros.' relatively new Sunlight, which achieved a 6.2% dollar share in its first year on the market.

Ivory's dollar share dropped two points to 19%; and Dawn's was down one point to 16.3%. Joy's share was up slightly to 14%. Cascade automatic dishwashing detergent continued to lead that segment.

In mid-1982, P&G moved Cinch, a dishwashing liquid containing abrasives, out of test to Arizona and later to the Northwest.

In household products, the company began to test Spic & Span Pine liquid for use in bathroom cleaning. Testing continues on Brigade, an automatic toilet bowl cleaner, in Kansas City.

Although P&G pulled Rejoice liquid soap from its Texas test markets, it has not given up on the category. It expanded economy-priced Ivory soap brand into portions of Colorado, Utah and Arizona and began to test Lava liquid soap in parts of Georgia.

In regular bar soaps, the company's total dollar market share of 38% was off about two percentage points from the previous year. P&G's brands include Ivory (10.8%), Zest (10%), Coast (6.5%), Safeguard (5.2%), Camay (4.4%) and Lava (1%.)

Spending on Zest was steady at $9.9 million; up 60% on Camay to $9 million; even on Lava at $2 million; up 28% on Coast to $11.3 million; up 26% on Safeguard to $10.16 million, and down 17% to $11 million on Ivory.

Monchel, positioned as a premium-price beauty bar, began testing in September, 1982.

The company, which has been testing Ivory shampoo in Missouri, Maine, Vermont and Wisconsin, entered a different version plus a companion conditioner into test in western Michigan. Although it withdrew Abound and Pert hair conditioners from test, it continues to test Head & Shoulders conditioner in the Northwest.

The company also launched nationally an enriched-formula Prell shampoo. Spending on that brand dropped about 10%, to $8.8 million. Spending on Head & Shoulders dropped 17% to $14.7 million. Pert spending dropped 43% to $8.27 million as it underwent an agency change. Ad spending declined 21% to $4.22 million on Wondra skin-conditioning lotion.

The "toothpaste wars," which grabbed so much attention in 1981, calmed down in 1982 as the gels introduced by P&G and Colgate-Palmolive settled into national distribution. By the end of 1982, Crest toothpaste had a 24.5% dollar share, and the gel had 9.5%, down from the 36.4% share the brand had before the gel was fully launched. P&G's Gleem was about level at 2.4%. Spending on Crest was $39.18 million, down 14% from its all-time high of $45.46 million a year earlier. Spending on Gleem dropped 25% to $1.58 million.

Although it still has about 20% of the antiperspirant market with Sure and Secret, those brands have been declining in recent years.

In late 1982 P&G began testing Oasis antiperspirant/deodorant. The product consists of a white core of antiperspirant ingredients to protect against wetness, and a green gel outerring with deodorant ingredients to guard against odor.

In food products, the company rolled national its Duncan Hines ready-to-spread frostings. It continued to test Duncan Hines microwave cake mix in the Seattle area, and started testing three new varieties of Duncan Hines muffin mixes. Spending on the DH line was $21 million, down about 11% from the previous year.

In the roasted-coffee market, P&G's Folger's maintained its 23.5% dollar market share. In the instant coffee business, Folger's share was up to 11.2% from 9.8%. With a 5.2% share, High Point decaffeinated lost almost one point.

Although it maintains it is in a "learning" mode with soft drinks, the company repackaged Crush and is testing a reformulated version with a fuller, more orange-like taste, in Arizona. Hires root beer also has been reformulated and repackaged.

The company made no major changes in the over-the-counter healthcare brands it got when it acquired Norwich-Eaton Pharmaceuticals in early 1982 and inherited established brands like Pepto-Bismol and the recently introduced Head & Chest cold remedy. The latter entry received about $10 million in introductory support, which began under the previous owner, Morton-Norwich.

A big headache for the company in 1982 came from well publicized rumors linking P&G with satanism. Spreading primarily through the "Bible Belt," the rumors alleged that a P&G executive appeared on a nationally syndicated tv show and revealed the company's link with devil worship. Furthermore, the stories held that the stars in the company's longtime logo/trademark could be connected into a "666" configuration, a number believed by some to be associated with the devil.

After two years of fighting such rumors locally, P&G went public with the problem and launched an aggressive national publicity campaign to combat it. The company enlisted the help of major religious leaders to discredit the rumors and filed suit against several individuals, charging them with "libeling the character" of the company by circulating "false and malicious" statements.

The company appears to be tightening up on its client-conflict policy. In November, 1982, it ended its 10-year relationship with Doyle Dane Bernbach, citing "competitive conflict considerations," and in June, 1983, it pulled all domestic and some international business from Young & Rubicam for the same reason.

The company perceives a "conflict" as anything, anywhere that might compete with any brands in a P&G division for which the agency is doing work.

Included in the DDB split were Coast, Puritan and Gain, which went to Tatham-Laird & Kudner; Grey Advertising and Wells, Rich, Greene, respectively. At the same time, Puffs was moved to Cunningham & Walsh from Grey. Later in the fall, Pert was shifted to Leo Burnett USA from Compton Advertising.

Included in the Y&R split were Ariel, Brigade, Spic & Span and Dash, which went to TLK; Dancer Fitzgerald Sample; WRG, and Benton & Bowles, respectively. At the same time, White Cloud was moved to Burnett from DFS.

Jennifer Alter

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$8,538,600	$6,077,100
Magazines	29,969,400	35,737,400
Spot tv	178,882,200	128,360,400
Network tv	390,495,400	393,236,000
Spot radio	1,320,600	160,300
Network radio	166,200	—
Outdoor	33,300	126,200
Total measured	609,405,700	563,697,400
Unmeasured	116,704,000	108,060,000
Estimated total	726,109,700	671,757,400

Marketing Personnel

W.E. Forbis, vp-sales
W.P. Nock, sales mgr-coffee div
F.W. Caswell, sales mgr-beauty care div
J.K. Goodwin, sales mgr-bar soap & household cleaning prods div
R.W. Gibson, sales mgr-packaged soap & detergent div
V.O. Hamilton, sales mgr-paper prods div
D.J. Lahey, sales mgr-food prods div
G.M. Breissinger, sales mgr-health & personal care div
Charles C. Carroll, vp-Norwich div

Advertising Personnel

R.V. Goldstein, vp-adv
B.L. Byrnes, adv mgr-coffee div
J.T. Smith, adv mgr-food products div
R.J. Herbold, adv mgr-packaged soap & detergent div
L.R. Love, adv mgr-bar soap & household cleaning prods div
M.S. Levy, adv mgr-health & personal care div
J.H. Costell, adv mgr-beauty care div
W.J. Wallace, adv mgr-paper prods div
J.D. Henry, mgr-mkt rsch dept
R.S. Morrison, div mgr-genl adv dept
J.A. Wishard, div mgr-genl adv dept
R.L. Wehling, div mgr-genl adv dept

Advertising Agencies

Benton & Bowles, New York—Bounce, Charmin, Crest, Dawn, Ivory Snow, Pampers, Scope, Wondra, Vibrant, Zest, Attends, Ivory shampoo, Pepto-Bismol, Dash,

Satin cigarets

Loews Corp.
National introduction: February, 1983
Introductory budget: $75 million
Agency: MCA Advertising, New York

SPOIL YOURSELF WITH SATIN.
Satin

Source: AA estimate

Oasis, Norforms, Always—T. Carey, senior vp—acct director; R. Hopple, senior vp—acct director; A. Ferrarese, senior vp—acct director.

Henderson Advertising, Greenville, S.C.—Chloraseptic, Head & Chest.

Lally, McFarland & Pantello, New York—ethical pharmaceutical products—Ron Pantello, president; Beverly Breitenbach, acct exec.

Leo Burnett USA, Chicago—Cheer, Era, Camay, Lava, Lilt, Secret, Gleem, Cinch, Pert, White Cloud—Peter M. Husting, senior vp-client services director.

Compton Advertising, New York—Tide, Cascade, Crisco, Crisco Oil, Top Job, Comet, Comet Liquid, Ivory bar & liquid, High Point, Duncan Hines cake, frosting, brownie and muffin mixes.

Cunningham & Walsh, New York—Folger's, Certain, Crush, Hires, Sun Drop, Puffs, Citrus Hill—W. Albright, exec vp-acct group director.

Dancer Fitzgerald Sample, New York—Brigade, Bounty, Oxydol, Dreft, Luvs, Solo, Tender Leaf—J. Fuller, mgmt group dir; J. Love, mgmt super; R. Pounder, mgmt super.

Grey Advertising, New York—Downy, Joy, Bold 3, Jif, Puffs, Duncan Hines cookie mix and ready-to-serve cookies, Puritan—H. Yager, exec vp.

Tatham-Laird & Kudner, Chicago—Biz, Head & Shoulders, Mr. Clean, Coast, Ariel—(Head & Shoulders, Coast) John Wells, senior partner; Brian Hurley, mgmt super; Tom Hazlett, mgmt super; (Mr. Clean, Biz)Tim Collins, senior partner; (Ariel) Bob Cappelli, senior partner; Rawdon Parry, mgmt super.

Wells, Rich, Greene, New York—Pringle's, Safeguard, Sure, Prell, Spic & Span, Gain, Banner, Merit—J. Weinstein, senior vp-acct group head; S. Morvay, acct super; B. McGreevy, acct super.

Mandabach & Simms, Chicago—fats, oils and shortenings for foodservice—Lee Lippman, senior acct super; Jim Flurry, William Schoenwald-acct supers; Joy Mizell, acct exec; Barbara Kaplan, asst acct exec.

Quaker Oats Co.

	1982*	1981*
Sales.........	$2,610,000,000	$2,580,000,000
Earnings.....	56,800,000	96,900,000
Advertising**..	106,071,500	95,597,100

*For 1983 and 1982 fiscal years ended June 30
**AA estimate

Quaker Oats Co., Chicago, which spent its second straight year divesting itself of less profitable nonfood operations, is the 59th largest national advertiser with ad expenditures of $106 million in 1982, an increase of 11% from 1981.

Financial results for its past two fiscal years reflect the company's movement back to its strong suit, the traditional grocery business. Net income in just-concluded fiscal 1983 was $56.8 million, affected by a loss of $62.5 million from the sale of its chemicals and U.S. games businesses. Net income from fiscal 1982 of $96.9 million was the product of a $20.4 million loss on the sale of the Magic Pan restaurant business.

Sales in fiscal 1983 were $2.6 billion compared to $2.58 million a year earlier.

Quaker experimented with its media mix during 1982, dropping magazine advertising 15% to $6.8 million, and boosting spending for spot tv by 49% to $21.2 million and spot radio by 24% to $159,900.

Operating earnings for Quaker's U.S. grocery products business, its largest business segment, were $1.26 billion, a 5% increase buttressed by new products and lower ingredient costs. The figure is 48% of the corporate total.

Although the grocery industry has been showing slow growth over-all, the company's new products—especially Chewy Granola Bars and Ken-L Ration Kibbles 'n Bits—helped generate volume gains. New product introductions in both new and existing categories were highlighted by the national rollout of Chewy Granola Bars—which performed deliciously in 1982—and Halfsies (aspartame-sweetened) cereal. Ad spending was $3.6 million for the granola bars, an increase of 125% from 1981. Two new flavors of Chewy Granola Bars—Peanut Butter & Chocolate Chip and Chunky Nut & Raisin—are being rolled out nationally.

The company's strength in the dog food category has slipped somewhat over the past few years. To combat this, Quaker announced that it is substituting dual-texture Kibbles 'n Bits with Kibbles 'n Bits 'n Bits 'n Bits, a product with crunchy chunks and soft strands. Ken-L Ration Burgers are being replaced with Ken-L Ration Burgers 'n Bones. These reformulations are in reaction to the dollar and volume market share declines the brands have experienced as cheaper dry products have gained favor.

According to Selling Areas-Marketing Inc. figures, the dry segment rose 5% to $1.6 billion, in 1982, while the semimoist category dropped 3.5% to $272 million. Recent Lehman Bros. figures show that Quaker's share of the total pet food market dropped from 8.6% in 1981 to 7.5% in 1982.

Quaker's cat food volume increased in fiscal 1983. Puss 'n Boots Moist Meals semimoist cat food added to the gain. In April, a new soft-dry cat food sold in 48-ounce bags was introduced in 25% of the U.S. The product is sold under the Moist Meals brand name. Quaker has also recently announced the introduction of its first product in the cat treat category, Puss 'n Boots Pounce Treats, marketed in four flavors.

Quaker is still No. 1 in hot cereals. Old standby Quaker Oats' brand was supported with $4 million in measured ad spending, up 11% from $3.6 million in 1981. A new flavor of Instant Quaker Oatmeal, Peaches & Cream, is being introduced nationally.

Quaker had some competition in the frozen pancake batter market (an $8.8 million segment) with Kellogg's introduction of Eggo plain and buttermilk frozen pancake batter. Quaker has Aunt Jemima frozen pancake batter, which had ad support of $439,800 in 1982.

Quaker's frozen food sales showed an increase in fiscal 1983 of 5%. Volume increased slightly over last year. The major growth came from frozen waffles, pancake batter and French toast. Quaker's Celeste brand frozen pizza's volume declined somewhat, but industry tonnage decreased more and the brand's market share increased.

Quaker was among the cereal marketers pushing products targeted to children in 1983. Earlier this year it reintroduced Halfsies cereal and began testing ChocoCrunch chocolate flavor version of the Cap'n Crunch brand. Quaker has an 8.9% share of the $3 billion cold cereal market.

In the international grocery division, operating earnings increased 13% to $59.1 million on sales of $877.6 million, a slight increase because of the strong dollar. To strengthen its overseas cereal business, Quaker acquired Scott's Porage Oats, a leading oatmeal company in Scotland. In October, the company acquired Ralston Purina's European pet foods business to attain the No. 2 market share position or 18% of the approximately $1.1 billion market in Europe. (Mars Inc. is still No. 1.)

Fisher-Price toys, feeling the effects of the videogame boom, reported operating earnings of $29.6 million, down 41% from fiscal 1982, as sales dropped 10% to $335.9 million. The business, which is the market leader in infant and preschool toys, entered the building set business in 1983 with Construx, an action-oriented building system. In fact, Fisher-Price introduced 39 new products at the 1983 Toy Fair. There was a $3.3 million decline in operating income for the division in the second quarter of fiscal 1983 because of slow pre-Christmas retail buying in the U.S. and overseas.

Quaker's direct-to-consumer division continued to be a bright spot in fiscal 1983. The division, which consists of Jos. A. Bank Clothiers, Brookstone Co. and Herrschners, had operating earnings of $15.8 million, an increase of 36%, and sales of $128.6 million, up 9%. Jos. A. Bank Clothiers is a retailer and direct-mail marketer of apparel and accessories. Brookstone is a marketer of hard-to-find tools and fine gifts through mail-order catalogs and retail stores. Herrschners is the leading mail-order marketer of needle-

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*1982 Bowdren Research Survey.

crafts in the U.S. and Canada.

The company's big news in 1983 is the acquisition of Stokely-Van Camp, a food processor whose main products are pork and beans and Gatorade soft drink. Quaker purchased the company for a reported $226 million. Corporate fingers are crossed that this deal proves to be a good one for Quaker, although the acquisition hasn't yet set Wall Street on fire. The Stokely products are viewed by some as being of the no-growth variety; other analysts believe Quaker has paid too much for the new addition.

In July of this year, Quaker redirected some business to BBDO in New York from J. Walter Thompson USA, Chicago. The account is Ken-L Ration Tender Chunks dog food. Advertising for the product was $2.2 million in 1982, but Quaker projects that it will grow to a $6 million to $12 million account by 1984.

The major personnel change in 1983 was the departure of Jack Young, formerly president of the foods division. He has been replaced by Hedric E. "Pete" Rhodes, who was president of the Pet Foods division. Mr. Rhodes' replacement is Douglas W. Mills.

Cecelia Reed

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$1,865,500	$1,753,900
Magazines	6,832,100	8,120,400
Spot tv	21,217,300	14,452,700
Network tv	34,541,700	34,161,400
Spot radio	159,900	129,100
Outdoor	45,900	7,200
Total measured	64,662,400	58,624,700
Unmeasured	41,409,100	36,972,400
Estimated total	106,071,500	95,597,100

U.S. GROCERY PRODUCTS GROUP

Marketing Personnel

Frank J. Morgan, exec vp
J. Byron Felter, vp-sales
Elizabeth D. Harrington, vp-adv
Max M. Lomont, vp-package design
Katherine E. Smith, vp-consumer affairs
Dudley M. Ruch, vp-mktg rsch
William P. Brown, director-media

Foods Division

H.E. "Pete" Rhodes, president
James B. Kauffman, vp-prod mgmt, foods
J. Scott Talgo, director-prod mgmt, frozen foods
Sandy Posa, Frederick J. Fritz, Barbara Allen, Elaine Bolli, M. Catherine Jaros, prod group mgrs.
Peter Consolazio, group mgr-promos
David H. Burke, natl sales mgr-frozen foods

Pet Foods Division

Douglas M. Mills, president
Philip A. Marineau, vp-prod mgmt
Nancy Pitz, director-prod mgmt
Angie J. Smith, prod group mgr

Wolf Brand Chili Products

U.B. Shockley, president
Kenneth Barrons, director of mktg

Food Service Division

Russell L. Jones, president
Robert D. Stoothoff, natl sales mgr
Paul V. Baron, prod group mgr

International
Grocery Products Group

Robert N. Thurston, exec vp

Fisher-Price Toys

R. Bruce Sampsell, president
James H. Frank, vp-genl mgr, intl
James R. Tindall, vp-genl mgr-U.S.
James W. Cudney, director of mktg
Thomas Oller, director of adv
Harold S. Tolley, director of pr

Chemicals Division

A. William Haarlow, president
William J. McKillip, vp-rsch and mktg

Direct Mail Marketing Division
Brookstone Company

Richard Chollet, president

Herrschners

Robert Thomas, president

Jos. A. Bank Clothiers

Leonard Ginsburg, president

Advertising Agencies

AdCom, Chicago—Cap 'n Crunch, Halfsies and other presweetened cereals, regular and instant oatmeal, Celeste pizza, Chewy Granola Bars, new prods—Gary Bayer, president-creative director; Joan G. Stark, vp-media director; Dennis Roy, director acct mgmt.

BBDO, New York—Corn Bran, Life cereal, puffed cereals, Shredded Wheat, Ken-L Ration tender chunks, 100% Natural, Puss 'n Boots cat foods, new products—Rick Swanson, vp-mgmt super.

BBDM Advertising, Chicago—industrial cereals—Lee Wolf, acct super.

Campbell-Mithun, Chicago—foodservice products—David R. Seibel, president.

Conill & Associates, New York—Hispanic products—Rafael Conill, president.

Jordan, Case & McGrath, New York—new food prods—Pat McGrath, president.

Ladd/Wells/Presba Advertising, Chicago—chemicals (foundry)—Robert Ladd, vp.

Berry-Brown Advertising, Dallas—Wolf Brand products and Quaker corn goods—Robert E. Berry, partner.

J. Walter Thompson USA, Chicago and New York—Aunt Jemima breakfast prods, mixes and syrup, Ken-L Ration dog foods—Lloyd Stein, senior vp, mgmt super.

Waring & LaRosa, New York—Fisher-Price toys, instant grits and new food products—Saul Waring, president.

Zylke & Associates, Chicago—chemicals (nonfoundry)—Richard M. Bueschel, acct super.

RCA Corp.

	1982	1981
Sales	$8,237,600,000	$8,004,800,000
Earnings	222,600,000	54,000,000
Advertising*	160,102,200	208,798,300

*AA estimate

RCA Corp., New York, the 38th largest national advertiser, decreased advertising expenditures by 23% in 1982 to $160.1 million.

Worldwide sales in 1982 were up slightly to $8.2 billion, a new company record and a 3% increase from 1981 sales of $8 billion. Earnings were up from $54 million in 1981 to $222.6 million, halting a four-year earnings decline.

In contrast, earnings declined in the first six months of fiscal 1983 from $121 million to $98.5 million due largely to a year-earlier sale of tax benefits and other nonrecurring gains. Sales rose 8% to a record $4.23 billion from $3.91 billion. Excluding the nonrecurring gains in 1982, the first-half profits would have been 32% above the 1982 period.

Earnings declines in the communications and Hertz Corp. transportation-service sectors (despite record revenues in each) were primary factors offsetting improved performances in other sectors for the first six months.

During calendar 1982, RCA spent more than $1 million in measured advertising on seven different products: NBC tv network ($15.4 million); RCA Videodisc System ($9.9 million); Hertz Rent-A-Car System ($9.6 million); color tvs ($5.3 million); RCA music service ($2.1 million); WYNY radio station ($1.2 million), and videodiscs ($1 million).

Electronics contributes the most to the corporation's bottom line, with sales of $4.35 billion in 1982, a slight decrease from $4.41 billion the year before. The company maintained its ranking as first in U.S. unit sales of both color and b&w tvs. It introduced a new 15-in. screen size, as well as a 26-in. screen last year.

In 1982, RCA introduced several new videocassette models, extending the recording time on a VHS system to eight hours among innovations. RCA also debuted three new SelectaVision videodisc players last year. The company is predicting stereo videodiscs are the wave of the future and will account for 50% of total player sales in 1983.

In records, the word was platinum last year for RCA, which collected 22 platinum records—the highest number in its history. It invested a combined $1.3 million in advertising records and tapes. After moving around to three agencies since 1980, RCA Music Service decided to leave its estimated $3 million account inhouse.

Commercial Products and Services' sales in 1982 totaled $1.2 billion, about the same as the year before. However, operations produced a profit of $16.6 million, compared with a $55.7 million loss in 1981. In the commercial communications satellite category, RCA benefited from contracts of more then $100 million to build the first U.S. direct broadcast satellites. In 1983, the Service Co., a division of Commercial Products and Services, will introduce a small personal tv for the healthcare market and a new 25-in. monitor receiver with advanced design features for industrial and educational purposes.

Broadcasting, a major RCA sales contributor, registered sales of $1.8 billion, up from the $1.6 billion in 1981. Profits were up from $48.1 million in 1981 to $107.9 million in 1982.

The year 1982 was marked by the boycott waged by the Rev. Donald Wildmon of the Coalition for Better Television and then the National Football League strike. Yet through it all, NBC posted improved profits and record sales for the 10th consecutive year. Its measured ad expenditure of $15.4 million, virtually all in magazines, accounted for 29% of all RCA measured spending.

Last season, the network introduced highly acclaimed shows, including "Cheers," "St. Elsewhere," "Remington Steele," "Family Ties," "Knight Rider" and "Silver Spoons." The network also grew in popularity among younger viewers, as it climbed to the top in Saturday morning ratings.

The company-owned tv stations posted higher sales for the 11th consecutive year and record profit for the third year. Sales of NBC Radio were up 14% but profits declined. In 1982, NBC started Talknet, a radio show that features nine hours of telephone call-ins every night. In New York, the company's WNBC-AM garnered the most listeners of any music radio station in the nation, while its fm counterpart, WYNY, increased its audience by 18%.

Attuned to the times, NBC is distributing a portion of its schedule via satellite, with the expectation that the full tv network could be on satellite by the mid-1980s. The radio network is expecting a full switchover to satellite by the end of this year.

Increasingly squeezed for cash to reduce its huge debt incurred in 1979 with the $1.35 billion acquisition of C.I.T., a debt compounded by high interest rates, RCA put Hertz Corp. up for sale in January, 1982, but got no takers. Improvements in the car-rental business and in RCA's own fortunes prompted RCA to pull Hertz off the market in August, 1983.

While RCA tried to peddle it, Hertz increased revenues by 8.8% to a record $1.55 billion in 1982. Earnings skyrocketed 85% to $66.4 million. The company spent $10.2 million advertising Hertz and its various offerings (car lease, credit card, express pass, truck rental etc.), according to Leading National Advertisers.

Early last year, Hertz signed an agreement with Penske Corp. to form the Hertz Penske Truck Leasing, a joint venture that maintains approximately 20,000 trucks. Overseas, Hertz expanded its services in Asia/Pacific and added 40 new locations in Europe.

Another subsidiary once considered for sale, C.I.T. Financial Corp., had the best year in its history, despite the rocky economy. By year's end, C.I.T. financial receivables stood at $7.3 billion, while life insurance increased by 59% to $16.7 billion.

A third company that could be sold is Coronet Industries, a subsidiary suffering declining sales in 1982. Sales hit $222.6 million, compared to $277.6 million in 1981, with the company showing a loss of $6.6 million. A year earlier, profits were $9.5 million.

In management, the big news of 1982 was the addition of Robert R. Frederick, president-chief operating officer. Mr. Frederick was previously exec vp-sector executive of General Electric Co.

Christy Marshall

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$26,273,300	$29,536,900
Magazines	23,362,100	27,329,500
Spot tv	8,776,700	12,021,000
Network tv	19,126,500	36,273,900
Spot radio	3,331,400	296,300
Network radio	1,205,900	2,022,100
Outdoor	298,700	348,500
Total measured	84,374,600	107,828,200
Unmeasured	75,727,600	100,970,100
Estimated total	160,102,200	208,798,300

Corporate Marketing Staff

Thomas B. Ross, senior vp-corporate affairs
Samuel M. Convissor, staff vp-corporate relations
Joel Wolk, director-adv, liasion & media services

Advertising Agencies

Ted Bates Advertising, New York—RCA corporate adv—Lee Hines, mgmt super; Jana Moorman, acct super.

Uniworld Group, New York—RCA community affairs, Doug Alligood, president; Bernard Baskett, acct super; Wayne Shealy, acct exec.

CONSUMER ELECTRONICS

Marketing Personnel

Arnold T. Valencia, president, RCA Distributing Corp. and RCA Sales Corp.
W.S. Beres, vp-adv
L. Small, retail & Canadian adv mgr
David Croner, vp-mktg operations

Advertising Agency

Leo Burnett USA, Chicago—Dennis Dunlap, vp-mgmt director; Jackson Brown, vp-acct director-color tv, vcr and videodisc player; John Kerastas, acct exec, tv; Jim McNitt, acct exec, vcr; Leslie Weil, acct exec, videodisc.

SELECTAVISION VIDEODISCS

Marketing Personnel

Herbert J. Mendelsohn, vp-mktg
Alan Blumenthal, adv director

Advertising Agency

Leo Burnett USA, Chicago—Hank Feeley, client service director; Jack Brown, acct director; Priscilla Vincent, Jim Wisman and Marla Deppe-McNitt, acct execs.

RCA LTD. (CANADA)

Marketing Personnel

L. Small, mgr-Canadian and retail adv
Burton Prosser, vp-merch, Canada

C.I.T. FINANCIAL CORP.

Marketing Personnel

John Maslanka, vp-mktg, C.I.T. Financial Corp.
G.S. Kessler, vp-mktg, C.I.T. Corp.

Advertising Agency

Wunderman & Ricotta, New York—Ed Sivigny, acct mgr; Lisa Levine, acct exec.

RCA SERVICE CO.

Marketing Personnel

E.A. Malm, div vp-telephone systems & data services
L.D. Chitwood, division vp-commercial products mktg
R. Zieselman, mktg service mgr

Advertising Agency

Al Paul Lefton Co., New York and Philadelphia—J.W. North, mgmt super; Herb Rose, acct super; Robert Ellis, acct exec.

Richard Bandler Co., New York—William Young, vp.

DISTRIBUTOR & SPECIAL PRODUCTS DIVISION

Marketing Personnel

D. Weisensten, div vp-merch
H.L. Craton, div vp-sales
A.D. Ricketti, mgr-adv & sales promo

Advertising Agency

Al Paul Lefton Co., Philadelphia—Ken Haverstick, acct exec.

RCA RECORDS

Marketing Personnel

Jack Chudnoff, vp-creative services & scheduling
Lawrence Gallagher, vp-sales
Barbara Sisilli, adv media mgr

Advertising Agency

Grey Advertising, New York—Len Fogge, acct exec.

CORONET INDUSTRIES

Marketing Personnel

Wendell Pierce, director-adv promo & publicity

HERTZ CORP.

Marketing Personnel

Hal Bingaman, vp-mktg

Advertising Agency

Scali, McCabe, Sloves, New York—car div—Murray Gaylord, mgmt super; Steve Friedman, acct super.

NATIONAL BROADCASTING CO.

Marketing Personnel

Steve Sohmer, vp-adv & creative services
Paul Mermelstein, vp on-air promo & print copy
Charles V. Blake, vp-print & design
Chuck Stepner, vp-special projects (West Coast)
Jay Michelis, vp-talent relations & creative services (West Coast)
Noel Engler, vp-adv & on-air promo (West Coast)
Frank Pintauro, vp-adv operations
Robert Blackmore, vp-sales
John Nesvig, vp-mktg
Don Eddy, director-mktg services
Hal Alterman, director-mktg projects

Advertising Agency

Diener/Hauser/Bates, Los Angeles—Barry Orell, acct exec.

RCA MUSIC SERVICE

Marketing Personnel

Robert Gordon, div vp-music service
Raju Puthukarai, dir-mkt & planning
Richard Rubin, mgr-creative services

COMMERCIAL COMMUNICATIONS SYSTEMS DIVISIONS

Marketing Personnel

W. A Taylor, division vp-mktg
Miles Moon, creative services mgr
Don Reinert, mkt mgr-cablevision systems

Advertising Agency

RCA Creative Services (inhouse)— Miles Moon, dept mgr; A.M. Hilliard, adv & sales promo dept mgr.

RCA PICTURE TUBE DIVISION

Charles A. Quinn, div vp-genl mgr
Robert Lorch-div vp

SOLID STATE DIVISION

Marketing Personnel

Lon Cantor, director-communications & adv
D. W. Ludlum, mgr-adv & sales promo, solid state
J.F. Chattin, mgr-adv & sales promo & publications, electro optics & devices

Advertising Agency

Cappiello & Chabrowe, New York—Terry Chabrowe, acct super.

RCA GLOBAL COMMUNICATIONS

Marketing Personnel

Ken Gross, vp-mktg & sales
Dan Dwyer, senior ad rep
Joe Ciano, genl sales mgr
Jon Plet, senior adv admin

Advertising Agency

Ronald B. Mitchell Associates, Bethesda, Md.—Ron Mitchell, president.

RCA AMERICAN COMMUNICATIONS

Marketing Personnel

John Williamson, director-public affairs.

Advertising Agency

Hammond & Farrell, New York— Jeff Kaumeyer, vp.

GOVERNMENT SYSTEMS DIVISION

Marketing Personnel

Paul E. Wright, division vp-genl mgr
F.H. Stelter, division vp-mktg
N.F. Pensiero, director-public affairs
David Shore, division vp-business devel
C.A. Schmidt, division vp & genl mgr-astro-electronics
A.T. Hospodor, division vp & genl mgr-automated systems
Lawrence Schipper, mktg director-govt communications systems
J.E. Murname, mktg director-advance planning
J. Durbin, mktg director-missile & missile radar

Advertising Agency

Al Paul Lefton Co., Philadelphia—Richard Rossi, acct exec.

Ralston Purina Co.

	1982	1981
Sales*	$4,802,600,000	$5,146,400,000
Earnings	69,100,000	174,800,000
Advertising**	220,000,000	192,984,000

*Fiscal year ended Sept. 30, 1982
**AA estimate

Ralston Purina Co., St. Louis, the 27th largest national advertiser, increased domestic advertising spending in 1982 to an estimated $220 million, up 14% from 1981.

After record earnings and sales in 1981, the company's sales decreased to $4.8 billion, a 6.8% decrease from 1981. Net earnings in 1982 plunged 60% to $69.1 million from $174.8 million in 1981.

The country's top marketer of pet foods, Ralston Purina's operations comprise four main units: Grocery products, agricultural products, restaurants and diversified businesses. Only the latter two units showed slight sales and profit gains in 1982, with the grocery and agricultural products divisions both suffering a decline in sales.

Fiscal 1982 was a "pivotal year" for the company, says William P. Stiritz, chairman-chief executive officer.

Although earnings declined substantially because of writeoffs related to divestment action on unprofitable businesses, Ralston Purina is now poised and positioned for improved profitability in 1983, says Mr. Stiritz.

The first three months ending Dec. 31, 1982, already show encouraging signs; sales were only slightly higher than the same quarter in 1981, but net earnings for the quarter were almost 34% higher than the same period the year before.

Ralston Purina is now set on strengthening its core businesses and improving the "underperforming units" or selling them; the company has already taken action toward that end. Country Stand fresh mushrooms were sold so that the company could concentrate on the marketing and sales of its Chicken of the Sea tuna brand.

The company dominates in dry pet food sales, and one of the key strategies during the year was to revitalize several of the company's dry dog food brands, especially Purina Dog Chow and Chuck Wagon.

Increased advertising and promotional support were socked into those brands, with Purina Dog Chow getting $10.4 million in measured media in 1982 compared to $5.9 million the year before and Chuck Wagon measured media support increasing to $8.3 million in 1982 compared to a $7 million budget the year before.

"In the dog food area during most of

fiscal 1982 we made a concerted effort to strengthen our primary brands and position them for long-term growth," said William Claggett, division vp, director advertising and marketing services.

"An important part of that strategy was to reallocate advertising and promotion spending in order to place more support behind the primary brands," he added. "We also revitalized other products, like Moist 'n Chunky, Mainstay, Butcher's Blend and Hi Pro, that are important from a strategic standpoint," he added.

Measured media support for Butcher's Blend dry dog food increased in 1982 to $6.4 million from a 1981 budget of $243,000. Meow Mix cat food received a 49% boost in promotional support; from $5.7 million in 1981 to $8.5 million in 1982.

To help increase dollar volume for the grocery division, Ralston Purina introduced a new canned tuna product, Chicken of the Sea tuna with 50% less salt.

The areas where the company did fairly well, considering a troubled economy, were in its restaurant division, particularly the Jack in the Box division, which has 764 units, and Continental Restaurants, the division that manages the Carlos Murphy Irish-Mexican Cafe.

Media support for Jack in the Box declined about 10%, from $9.8 million in 1981 to $8.8 million in 1982. There was no advertising spending for the Carlos Murphy's chain of 13 restaurants in 1982.

Mr. Claggett said tv will continue to be the medium (80%) for Ralston Purina's products, but the company will be going into more print and cable in the future. The over-all strategy calls for a continued competitive drive in its pet foods, said Mr. Claggett, who hinted that the company is looking at various new cereals to come out with in 1983.

Eileen Norris

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$2,588,700	$1,175,800
Magazines	8,926,800	11,604,200
Farm publications	864,000	770,700
Spot tv	23,535,800	18,245,200
Network tv	82,570,700	66,713,500
Spot radio	5,756,900	4,987,600
Outdoor	135,700	5,000
Total measured	124,378,600	103,502,000
Unmeasured	95,621,400	89,482,000
Estimated total	220,000,000	192,984,000

GROCERY PRODUCTS

W.H. Lacey, president

Marketing Personnel

W.M. Claggett, div vp-director, adv/mktg services

W.P. McGinnis, div vp-director of mktg

Advertising Agencies

Avrett, Free & Ginsberg, New York—Purina 100, Kitten Chow, Cat Chow, Waffelos children's cereal; new prods—Ron Thomas, senior vp-director client services.

Checkerboard Advertising Co., St. Louis (house agency)—professional mktg group; new prods.

Don Tennant Co., Chicago—Praise, Thrive cat foods, Donkey Kong, Cookie-Crisp, Dinky Donuts children's cereals, new prods—Thomas J. Prchal, president, coo.

Drossman Yustein Clowes, New York—Meow Mix cat food, Meow Mix Meals, new prods—Matthew Mansfield, vp-mgmt super; Robert Sanders, acct super.

Gardner Advertising Co., St. Louis—Puppy Chow, Fit & Trim, Chuck Wagon dog foods, Bonz dog snacks, new prods—Puppy Chow, Fit & Trim—John Fox, vp-senior acct director; Mark Harmon, acct director; Greg Mauldin, acct mgr. Chuck Wagon—John Fox, vp-senior acct director; Ray McLaughlin, acct director; Jim Callahan, asst acct mgr. Bonz—Jim Lucas, vp-acct director; Debbie Broemmelsick, acct mgr.

MCA Advertising, New York—Mainstay, High Pro dog meals, new prods—Warren Dechter, exec vp.

TBWA Advertising, New York—Chicken of the Sea tuna, Special Dinners cat food, new prods—Chicken of the Sea tuna—Serge Prengle, acct super; Sheila O'Brien, acct exec; new prods (dog food)—Mark Poland, mgmt super; Marie Beltrametti, acct exec; new prods (cereals)—Barrie Hedge, mgmt super.

Tatham-Laird & Kudner, Chicago—Happy Cat cat food, Top Secret cat litter deodorizer, new prods—Robert Cappelli, senior partner.

Wells, Rich, Greene, New York—Purina Dog Chow, Butcher's Blend, Moist 'n Chunky dog foods, Tender Vittles cat food, Chex cereals, new prods—E.R. Petray, New York, senior vp.

RESTAURANT DIVISION FOODMAKER INC.

Marketing Personnel

J.W. Goodall Jr., president & ceo, Foodmaker

T.W. Doan, exec vp, Continental Restaurant Systems

R.A. Pearce, corp vp-mktg, Jack in the Box

J.L. Evans, div vp-mktg, Continental Restaurant Systems

J.W. Hickman, director of adv and sales, Continental Restaurant Systems

M. Morehead, director of adv and sales, Carlos Murphy Restaurant Systems

Advertising Agencies

WRG/West, Los Angeles—Jack in the Box.

AGRIPRODUCTS DIVISION

W.M. Jones, president

Marketing Personnel

Chow

B.M. Lutz, vp-director-mktg and rsch

R.R. Reeves, div vp-director

Advertising Agencies

Fletcher/Mayo, St. Joseph, Mo.—Frank Christman, acct super.

BFV&L Advertising, St. Louis—health industries—Mark Lashly, mgmt rep.

Checkerboard Advertising Co., St. Louis (house agency)—Lifestyle horse feeds, special projects, Hog chow.

Dorf/MJH, New York—prod publicity projects—Alex Stanton, acct super.

Valentine Radford, Kansas City—dealer adv—Phil Schroeder, acct super.

RALSTON PURINA INTERNATIONAL

T.H. Mullenix, president

Marketing Personnel

E.S. Farrelly, div vp-director, agriproducts mktg

V.L.E. Stisser, div vp-mng director, Asia, Pacific and Canada div

D.A. Mefford, mng director, European div

R.N. Morrow, div vp & mng director, Mexican div

L.A. Van Houten, div vp-mng director, South and Central American div

A.V.L. Brokaw, director, consumer prods mktg

DIVERSIFIED BUSINESSES DIVISION

P.H. Hatfield, president

Marketing Personnel

A.C. Edwards, div vp-mng director

J.V. Heinz, director, sales

R.M. Moeller, mng director-mariculture operations

D.B. Smart, vp-director-foodservice

Advertising Agencies

Burson-Marsteller, Chicago—protein and dairy food systems.

Mandabach & Simms, Chicago—food service—Ron W. Plummer, vp-director.

Keystone

R.A. Maynard, president

J.D. Jones, vp-operations

S.R. Corneillier, director of mktg

Advertising Agencies

Heckler Associates, Seattle—Keystone—Terry Heckler, president.

Checkerboard Advertising Co. (house agency), St. Louis—media for Keystone.

Revlon Inc.

	1982	1981
Sales	$2,350,988,000	$2,365,938,000
Earnings	111,140,000	174,821,000
Advertising*	112,952,100	106,638,750

*AA estimate

Revlon Inc., New York, the 56th largest national advertiser, increased its advertising by 6% in 1982 to $112.9 million. The company placed its worldwide ad expenditures at $223.5 million, a 12.4% increase over the $198.9 million spent in 1981.

Sales decreased slightly to $2.35 billion, down less than 1% from 1981's volume of $2.37 billion. Sales in the first quarter of 1983 also dropped fractionally from $557 million in the first quarter of 1982 to $552.9 million.

Revlon reported sales of $1.140 billion and earnings of $53.9 million for the first half of 1983, compared with sales of $1.125 billion and net profit of $67.7 million a year earlier. Revlon noted that its 1983 second quarter results represented significant increases in comparison with its previous three quarters' results.

Revlon also sustained its second consecutive year of decreased earnings which totaled $111.1 million, down about 36% in 1982 from earnings of $174.8 million in 1981. Net earnings in the first quarter fell to $23.7 million from $28 million in 1981's first quarter. The 1982 decline has been attributed to a combination of operating conditions, management actions and external causes that negatively affected the company's worldwide beauty busi-

One Mistake, And You're Dead

SWEEPSTAKES AND PROMOTIONS

See us for lowest prices for all games, contests, sweepstakes. Fast service, guaranteed results, quotes without obligation. Write or call today—

OUTA SPACE PROMOTIONS, INC.
236 West Broad St., Chicago, Ill.

Did you hear about the sweepstakes where there were 163,000 first prize winners?

Or about the five million instant-win rub-off game cards where even a laser couldn't budge the rub-off ink?

Or about the nationwide contest where the rules were omitted from the ads?

Enough to give an advertiser a permanent tic whenever the word promotion is mentioned!

In the promotions business, when something goes wrong you don't just get egg on your face. You lay an omelette the size of Nebraska. In other words, one mistake and you're dead.

Even worse, it's not only the perpetrator who suffers the heart attack. The client—and the product—can be damaged, sometimes terminally. That's why, when you're planning a promotion, you should go with the best—organizations with proven track records of trouble-free promotions.

A 25-Year Track Record

For over 25 years, we've originated, designed, planned and managed games, contests and sweepstakes for hundreds of clients—many of them major advertisers like the Coca-Cola Company, United Airlines, Exxon, Polaroid, Alcoa and Lorillard.

A pleasing point is that most of our clients have been with us, promotion after promotion, for many years. With originality and innovation, expertise and experience, we've helped turn their marketing problems into golden opportunities.

But more importantly, they know they're in safe hands. They know that when it comes to games of chance, we leave nothing to chance.

In fact, there's only one thing missing from our 25-year track record in the promotions business. An embarrassing mistake.

ADVERTISING'S PROMOTION PARTNER FOR 25 YEARS
Call Leonard Bierman at
MARDEN-KANE INC.
666 Fifth Avenue, New York, N.Y. 10103. Tel. 1-212-582-6600. Also in Houston, Los Angeles and San Francisco.

ness which now accounts for 49% of total sales, compared with 53% in 1981. Sales of Revlon's healthcare group rose by 7% in 1982 to $1.19 billion from $1.11 billion in 1981, accounting for about 51% of total sales, compared with 47% in 1981. Operating profits in 1982 were $160.8 million, up 6% from $152.2 million.

In 1982, the beauty product category registered a $1.16 billion volume for the company, compared with $1.25 billion in 1981. Operating profit dropped to $124.5 million in 1982, down 40% from the previous year's $207.5 million. Operating profit from outside the U.S., Canada and Puerto Rico was $13.8 million, down from $21.8 million in 1981.

The domestic side of the beauty business contributed $791.3 million in sales, or 34% of total corporate sales, down from $820.7 million in 1981. Operating profit declined from $185.8 million in 1981 to $110.7 million in 1982, accounting for an estimated 39% of total operating profit.

In 1982, net sales of cosmetics, fragrances and toiletries outside the U.S., Canada and Puerto Rico were $368.3 million, compared with net sales of $432.3 million in 1981, while operating profit for the year was $13.8 million compared with $21.8 million in 1981. These declines reflect the impact of a strong U.S. dollar against foreign currencies as well as other economic disruptions related to inflation, recession and government price controls in principal markets and continued operating problems in many areas.

In 1982, Revlon's domestic beauty products sales were hurt by ongoing reduced retailer inventory levels and high return rates that produced out-of-stock situations and inventory imbalances in stores. While Revlon was not the only company hurt by these practices, it was disproportionately affected in part because of the diversity of its product lines. According to the company, added pressure on profit margins came from volume shortfalls, promotional programs implemented to counter competitors' intensified pricing and other allowances to the trade and costs associated with Revlon's decision in September, 1982, to significantly boost print and tv advertising and coordinated merchandising programs for key products.

Besides increasing advertising, marketing and merchandising support, Revlon adopted several other strategies to deal with these problems, including a general reduction in the nonsales work force, other administrative and cost-reduction and cost-avoidance actions, while expanding and reorganizing its sales forces. It also initiated programs to phase out the prestige-price Etherea line and the popular-price Charlie cosmetics in the U.S. and to trim other cosmetic lines. Revlon also introduced a number of new products, including Pure Radiance Special Effects powder for face, eyes and lips, Skin Balancing Makeup, Flex Appeal Mascara, Liquid Nail Wrap and Nail Starters.

Charlie, Jontue and Scoundrel fragrances, each with about $4.6 million, $3.8 million and $2.9 million in measured media advertising, were repositioned with new advertising and coordinated merchandising concepts.

In domestic sales of lip makeup, Revlon had a constant 29% share while its total dollar share of mascara fell off slightly from close to 17% to about 15%. Dollar share of eye shadow sales hovered around 20% while liquid makeup share slipped about 1% to 32%.

In haircare, the company maintains that Flex shampoo retains the lead position among cosmetics shampoos while Flex conditioner is the No. 1 after-shampoo conditioner in the U.S. The successful defense of Flex and the repositioning of Aquamarine shampoo in 1982, management says, opened the door for a greater segmented marketing approach to haircare.

Overseas the company introduced Colourtones, a new line of face and eye cosmetics, in Europe and Australia as well as Revlon Sensations Perfumed Body deodorant spray for women in South Africa and Revlon Esteem allover deodorant cologne for men.

In healthcare, the Barnes-Hind/Hydrocurve division introduced a new extended wear soft contact lens to correct astigmatism and GP-II, a new semisoft gas permeable contact lens. Its Soft Mate Weekly Cleaning Solution was the first intensive cleaning solution for the care and maintenance of all soft contact lenses to receive Food & Drug Administration approval. Barnes-Hind/Hydrocurve Group remains the leader in sales of extended wear soft contact lenses with about a 60% share of market, ahead of CooperVision's 40% share. Barnes-Hind/Hydrocurve is the second largest supplier of soft contact lenses, according to the company, and in the total contact lens market outside audits estimate it is ranked third, tied with CooperVision.

In other healthcare developments, the company's Coburn division Choyce Mark VIII and Choyce Mark IX introcular lenses helped Coburn broaden its position in the IOL field while Coburn also introduced C-Lite, a new eyeglass lens that is scratch resistant, tintable and in photochromic form. Among other developments, Norcliff-Thayer's NoSalt, a salt alternative, reached national distribution, and a licensing agreement was reached to market chymopapain, an injectable drug that was recently approved by the FDA as an alternative to surgery for slipped disc treatment everywhere except the U.S., Japan, Canada and the Caribbean.

Research and development expenditures for both healthcare and beauty reached $114.7 million, about 26% more than was allocated in 1981.

Pat Sloan

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$488,200	$436,800
Magazines	14,229,200	10,937,100
Spot tv	15,760,900	23,372,500
Network tv	33,913,200	24,730,300
Spot radio	398,500	621,400
Network radio	1,709,300	1,874,500
Total measured	66,499,300	61,972,600
Unmeasured	46,452,800	44,666,100
Estimated total	112,952,100	106,638,700

REVLON INC.
New York
Marketing Personnel
Sanford Buchsbaum, exec vp-adv
Kenneth Angel, adv director
George W. Feld, vp-adv services
Anthony Cozzolino, media/budget director
John Maisano, president, Group I
Harvey Schwartz, president, Group II
Lawrence Wechsler, president, Group III
Advertising Agencies

Grey Advertising, New York—All Classic Revlon and Natural Wonder prods, Flex, Jontue, Ivoire, Scoundrel, Colorsilk, Eterna 27, European Collagen Complex—Robert Zimmern, exec vp.

50th Floor Workshop, Revlon's inhouse agency—Moon Drops, Revlon lipstick and nail enamel, Chaz, Ultima II, Ciara, Cerissa, Norell, Princess Marcella Borghese, Bill Blass—Martin Stevens, vp-creative services; George W. Feld, vp-adv services; Rita Grisman, vp-creative director.

Scali, McCabe, Sloves—Charlie, Mitchum-Phil Cohen, acct super.

PROFESSIONAL PRODUCTS GROUP
New York
Irving J. Bottner, president
Robert Crane, senior vp-marketing
Mitchell Levy, director-adv, sales promo and education
Advertising Agency

Merchandising Workshop, New York—Joanie Curcio, senior vp.

USV LABORATORIES DOMESTIC
Tarrytown, N.Y.
Marketing Personnel
Jim O'Brien, president
Stewart Samuels, vp-mktg and sales
Advertising Agencies

Klemtner Advertising, New York—Hygroton, Regroton, Lozal, MVI—Jay Conlan, vp-acct exec.

Thomas G. Ferguson Associates, Parsippany, N.J.—Arlidin, Calcimar, Nicobid—Tom Ferguson, owner and acct exec.

NORCLIFF-THAYER
Tarrytown, N.Y.
Marketing Personnel
Charles A. Pergola, president
Theodore N. Williams, senior vp
Larry White, vp-mktg
Frank J. Coppola, vp-sales
Advertising Agencies

Jordan, Case & McGrath, New York—Tums—Claudia Horty, senior vp.

Specht, Gilbert & Partners, New York—Oxy line—Don Gilbert, president; Steve Bayer, partner.

Marschalk Co., New York—Esoterica, Nature's Remedy—Peter Detels, senior vp.

Cadwell Davis & Partners, New York—NoSalt—Jeffrey Zeiler, partner.

Carrafiello, Diehl & Associates, Irvington, N.Y.—A-200 Pyrintate, Liquiprin—John Muhlfield, vp.

TECHNICON DIAGNOSTIC SYSTEMS
Tarrytown, N.Y.
Marketing Personnel
John Whitehead, president
Fredrick Stubbins, director-mktg communications
Advertising Agency
All advertising done inhouse

ARMOUR PHARMACEUTICAL
Tarrytown, N.Y.
Marketing Personnel
Jim O'Brien, president
Stuart Samuels, vp-mktg and sales

BARNES-HIND/HYDROCURVE
Sunnyvale, Cal.
Marketing Personnel
Kevin J. Ryan, president
Richard Wright, exec vp
George McCrary, vp-marketing
Robert Pace, vp-sales
Advertising Agencies

Grey Advertising, New York—extended wear contact lenses and contact lens solution prods—Mike Ouimette, Fred Milman, vp acct supers.

Zechman & Associates, Chicago—specialist prods—Bud Davis, vp-acct services

NATIONAL HEALTH LABORATORIES
La Jolla, Cal.
Marketing Personnel
Robert E. Draper, president
Advertising Agency
All advertising is done in-house

MELOY LABORATORIES
Springfield, Va.
Marketing Personnel
William Terry, president

Like cola

Philip Morris Inc. (Seven-Up Co.)
National introduction: August, 1982
Introductory budget: $35 million
Agency: N W Ayer, New York

What cola should be like.
Like
Like
From The Seven-Up Company.

Source: AA estimate

R.J. Reynolds Industries

	1982	1981
Sales*	$13,057,000,000	$11,692,000,000
Earnings*	1,594,000,000	1,504,300,000
Advertising**	530,261,800	321,279,600

*Includes Heublein Inc. from Aug. 20 to Dec. 31, 1982
**Includes Heublein Inc. for calendar 1982

R.J. Reynolds Industries, Winston-Salem, N.C., leapfrogged four companies in 1982 to become the nation's fourth largest advertiser, registering $530.3 million in ad spending, up 65.0% from $321.3 million in 1981. The dramatic rise reflects the inclusion of figures from Heublein Inc., which Reynolds, the largest tobacco marketer in the U.S., acquired in 1982.

The $1.39 billion purchase, completed late last year, falls into line with Reynolds' gradual broadening of its financial base and its further movement into an area it knows best—consumer package goods.

With Heublein figures from Aug. 20 to the end of the year included, Reynolds saw sales of $13.08 billion in 1982, up 11.8% from $11.69 billion in 1981. Earnings from operations during the year increased by 6.0% to $1.59 billion from $1.50 billion in 1981. Net earnings during that period jumped to $870 million from $768 million the previous year, a rise of 13.3%.

For the first half of 1983, sales reached $7.45 billion, up 24.4% from $5.99 billion in 1982. Earnings from operations during the period increased to $786 million, up 2.6% from the $766 million reported in 1982.

The addition of Heublein has created a wide-ranging array of products now wearing an RJR corporate label. In all, RJR's operations consists of the following: Tobacco, food and beverages, foodservice, energy, transportation and packaging.

Heublein, based in Farmington, Conn., markets a number of brands familiar in the world of consumer goods, including Smirnoff vodka, Harvey's Bristol Cream, Inglenook and Colony wines, Kentucky Fried Chicken restaurants, A.1. steak sauce and Grey Poupon Dijon mustard. In fiscal 1982, which ended June 30, Heublein had sales of $2.14 billion, up 4.4% from $2.05 billion in fiscal 1981. Net earnings increased 16.6% over the same period, rising to $102.8 million from $88.2 million.

To integrate Heublein into its corporate structure, RJR established the RJR food and beverage group and appointed Hicks B. Waldron, Heublein's chairman, president and chief executive officer, to head it. However, in July, Mr. Waldron, who many speculated was in line to succeed J. Paul Sticht as chairman of RJR, was named president and ceo of Avon Inc.

At presstime, Reynolds had not named a successor to Mr. Waldron. The group he had headed comprises Heublein Spirits & Wine Co.; Del Monte Corp., which RJR acquired in 1979, and Kentucky Fried Chicken Corp.

Tobacco, of course, remains RJR's *raison d'etre*; in 1982, the leaf provided 50%, or $6.66 billion, of the corporation's total net revenues and 70% of its earnings from operations. Comparable percentage figures for 1981 were 52% and 69%, respectively.

At the end of 1982, R.J. Reynolds Tobacco Co., the corporation's tobacco marketing arm, continued to be the industry's U.S. leader, holding 33.4% of the market, enough to nose out Philip Morris USA's 33.0%. Though RJR's share increased from the 33.0% it had in 1981, speculation continues that PM will bump the longtime leader from the top spot. In fact, one top analyst, John Maxwell of Lehman Bros. Kuhn Loeb, said such a toppling had already occurred halfway into 1983.

In 1982, RJR Tobacco introduced two line extensions—Vantage Menthol 100s and Vantage Ultra Lights—and one new product, the mint-flavored Bright. These introductions are microcosms of industry developments of recent years, as most of the attention has focused on products designed for low-tar appeal or to attract young women, a demographic group the marketers like. (Mr. Maxwell, however, suggested that the popularity of low-tar cigarets, which skyrocketed during the past decade, may be forming a plateau on the growth curve.)

Among the company's existing brands, Winston continues to head the list, ranking as the No. 2 cigaret in the country, behind PM's Marlboro. In 1982, it held 13.2% of the market, down slightly from 13.3% in 1981.

As it was the company's top brand, Winston was also the recipient of the most measured media support, with $42.5 million in 1982, up from $38.4 million the previous year. Of that amount, $22.1 million went to magazines, $2.8 million to newspaper supplements and $11.6 million to outdoor.

Salem, the nation's top menthol brand and No. 3 over-all, saw its market share increase to 8.8% from 8.7% in 1981. To help achieve that level, the company supported the brand with $30.9 million in measured spending, about the same as in 1981. Of the total, $17.2 million went to magazines, $2.8 million to newspaper supplements and $10.9 million to outdoor.

Much of the excitement RJR experienced in 1982 came from its third brand, Camel, which saw its market share rise from 4.8% to 4.9%. The brand has been making steady increases in recent years after suffering from declines in the previous period. Camel in 1982 received $26.5 million in measured media support, compared with $19.7 million in 1981. About $10.5 million of the amount went to magazines and $16.0 million to outdoor.

In an unexpected move in May, RJR moved the Camel account from BBDO, which had developed the successful "Where a man belongs" campaign, to McCann-Erickson. The move caught BBDO officials by surprise and was said to stem from RJR's pique at "an attitude of aloofness, almost superiority" that one source described BBDO as having.

Vantage, RJR's low-tar entry, also saw its share increase, from 3.7% in 1981 to 3.9% in 1982. The brand received $32.1 million in measured media support, two-thirds of which went to magazines and a third to outdoor. In 1981, Vantage had $29.9 million in measured spending.

RJR's other two brands, besides new product Bright, are More and Now, the former designed to appeal mainly to women and the latter a member of the ultra-low tar segment. In 1982, More received $28.0 million in measured support—the relatively high level is attributable to the introduction of More Lights in 1981—and Now got $14.4 million.

Bright, the late-year new entry, received $9.9 million in measured support as the brand rolled out across the country, accompanied by heavy advertising, sampling and couponing.

Meanwhile, RJR has attempted to adjust to changing market conditions brought on primarily by heavier tax assessments on cigarets scheduled for early 1983. First, the company late last year embarked on a heavy couponing campaign—$1.50 to $2 off on cartons—to reduce inventories in anticipation of the price rises necessitated by the tax increases. Another approach, one that RJR termed a "minor test," was to keep prices below $1 a pack by putting packs of 12, rather than 20, cigarets in vending machines. The idea is still being tested in Florida.

A third strategy has been the introduction of Century, a pack of 25 cigarets for the price of 20 (and nine packs—225 cigarets—in a carton), which falls in line with the "value-added" concept of marketing. RJR said Century is not designed to compete with fast-growing generic cigarets, but rather the brand will fall in line with the "value-added" concept of marketing.

So far, Century is in 33 states; the quirks of local laws, however, stand in the way of a full national rollout. For example, in some instances, those laws prohibit the sale of cigarets in units other than multiples of 10. Nevertheless, RJR claimed it is selling Century faster than it can make them. And for the moment, of RJR's competitors, only Brown & Williamson Tobacco Co. has entered the 25-unit market in the U.S. B&W's version is called Richland.

In its food and beverage group, Reynolds continued to work on streamlining and strengthening Del Monte Corp., the San Francisco-based marketer of canned goods, frozen fruits, beverages, beverage mixes and fresh fruits.

Among the developments in Del Monte's household during the past year:

- Picking up on the continued consumer interest in health and nutrition, the company introduced an 18-item line of "no salt added" Del Monte canned vegetables.
- Another market "hot spot," Mexican foods, prompted the company to introduce a line of Mexican foods in Los Angeles. In addition, it introduced a new and improved line of Patio frozen Mexican dinners and burritos.
- Hawaiian Punch fruit drinks reached store shelves in aseptic packages, the latest rage in the packaging field.

It is interesting to note that since RJR acquired Del Monte in 1979, which at that time was not known for marketing prowess, advertising for the brand has increased substantially. In 1982, measured media spending totaled $10.3 million, the bulk going to the Lite line of canned foods introduced in 1981. The figure doubled the previous year's level.

Other brands and their measured media support included Hawaiian Punch, $9.8 million; A.1. steak sauce, $8.5 million; Ortega Mexican foods, $6.9 million; Chun King foods, $4.4 million, and Grey Poupon mustard, $2.1 million.

Among the spirits that Heublein, the second largest liquor marketer in the U.S., brought to the fold is Smirnoff vodka, the No. 2 selling brand in the U.S., trailing only Bacardi rum. Yet, although vodka remains a category that gets favorable looks in a declining spirits market, Smirnoff case sales were off slightly, down to 7.2 million from 7.3 million in 1981, according to Mr. Maxwell, the analyst.

Other Heublein brands are Popov vodka (No. 11 in the U.S.) and Black Velvet (No. 20). In 1982, Smirnoff received $8.9 million in measured media support, while Black Velvet got $4.4 million. Support for Popov was minimal.

In the wine market, Heublein is the second largest vintner in the U.S., ranking behind E&J Gallo Winery. In 1982, according to *Impact*, the wine and spirits newsletter, Heublein had 9.4% of the U.S. market, down from 10.0% in 1981. That compares with Gallo's 26.9% and Coca-Cola Co.'s Wine Spectrum's 6.3%.

Heublein markets its wines under the Inglenook and Colony brand names, with the former on an upswing and the latter, though repositioned, struggling to maintain a competitiveness, according to *Impact*. In 1982, Heublein supported Inglenook with $7.4 million in measured media spending, while Colony received $2.8 milion.

Heublein's other major entry in the marketplace, Harvey's Bristol Cream sherry—a brand that has received considerable ad awareness through its sassy "Downright upright" campaign—received $3.1 million in ad support in 1982.

One shining star that Heublein brought to RJR is Kentucky Fried Chicken, the nation's third largest fast-food (or, as RJR prefers to put it, "quick service") restaurant and an enterprise that just a few years ago was on the verge of being fried itself. The largest of the chicken restaurants, an active segment in recent years, KFC opened 120 new owned and franchised units in 1982, bringing the total to 4,365. In addition, there are about 1,400 units in 54 countries overseas.

In 1982, KFC reported sales of $2.4 billion. In fiscal 1982, company-owned stores had revenues of $433.0 million, up 10.9% over 1981. That follows an 18.9% increase from 1980 to 1981. Measured media support, most of it in network tv, was considerable in 1982: $42.6 million.

The RJR takeover has prompted fresh optimism that the conglomerate's vast resources will enable the chain to expand even further. The KFC National Co-op, for instance, has voted to increase operators' contributions to advertising from 1½% to 2% of sales, promising even more awareness of the "We do chicken right" or other campaigns.

Other RJR units include Aminoil Inc., a petroleum exploration and production company, and Sea Land Industries Investments, the world's largest containerized shipping company. Revenues were down in both businesses in 1982, although Sea Land recorded a 52% increase in earnings from operations over 1981. In recent weeks, RJR has put the word out that it is considering selling or spinning off Sea-Land.

Mark Watanabe

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$123,174,800	$142,344,700
Magazines	111,102,600	89,264,400
Spot tv	47,738,100	30,361,400
Network tv	56,862,700	3,569,600
Spot radio	2,776,900	272,300
Outdoor	77,233,200	50,253,900
Total measured	418,888,300	321,279,600
Unmeasured	111,373,500	5,213,300
Total	530,261,800	321,279,600

R.J. REYNOLDS TOBACCO CO.

Marketing Personnel

G.H. Long, president-chief operating officer
J.W. Johnston, exec vp
John Winebrenner, John Shostak, Jerry McKenna, group brand directors
Dan Pearson, director of media
M.L. Orlowsky, vp-mktg
Harry Lees, vp-special tobacco prods and new brands
Gregory Novak, group director of mktg services
Sally MacKinnon, director of new brands
Sid Wooten, director of specialty tobacco prods

Advertising Agencies

William Esty Co., New York—Winston, Salem—Laurence M. Wassong, exec vp-acct group head; John E. Neal, senior vp-assoc group head; Philip Shaner, Andrew Wetmore, vps-acct supers.

McCann-Erickson, New York—Camel—John Bergin, vice chairman; Charles Hamm, exec vp; David Clapp, senior vp.

Leber Katz Partners, New York—Vantage, More, Now, Bright—Stanley H. Katz, chairman; Jerome L. Davidow, exec vp-director, client services; Robert Hirsch, senior vp-mgmt super; Jeff Palmer, Richard Maddock, Janice Lee, vps-acct supers.

Tatham-Laird & Kudner—Century, smoking and chewing tobacco, special projects—Jerry Birn, managing partner; Kirk Borland, mgmt super; Jim Hill, acct super.

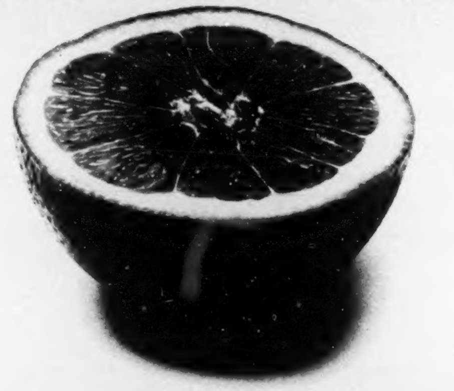
Long Haymes & Carr, Winston-Salem, N.C.—special events adv—Donald N. Adams, exec vp-mgmt super; William Britt, acct super; John W. Barclay, acct exec.

R.J. REYNOLDS TOBACCO INTERNATIONAL

Marketing Personnel

Lester W. Pullen, president-ceo
Dale F. Sisel, exec vp

IN MIAMI ONE TV STATION REACHES HALF THE MARKET.



IT TAKES 5 STATIONS TO REACH THE OTHER HALF.

SIMPLE MATHEMATICS.

A lot of media buyers make the mistake of thinking that Spanish television reaches minority households without much buying power.

Well if you make that mistake in the Metro-Miami market, get ready to say adios to a lot of your clients.

Because in the Miami-Metro market, the Spanish audience means big numbers in the ratings race. And even bigger numbers in terms of buying power.

Consider: The South Florida Latin buying power is estimated at $7 billion. Miami's Latin market comprises one half of Metro-Miami's population. The median Latin household income is a whopping $22,000 plus per year. Which buys a lot of Whoppers, Big Macs, Cervezas, soap and so on.

And in this market, the Latin television market audience does its shopping in Spanish, on television, on Channel 23, the TV channel Miami's Latins watch more and believe in more than any other TV channel in South Florida.

Consider: Channel 23 is now the Number One ranked television station in prime access time in the Miami-Metro area.*

Channel 23 is also the Number Two ranked station in the Miami-Metro area during fringe and prime time combined.**

And the Number One television station in attracting women aged 25 to 54.***

Which means if you're not including Channel 23 in your overall Miami media buy, you're not talking directly to a $7 billion market.

In plain English, you can't make it in Miami without speaking Spanish.

On Channel 23.

WLTV23
LO NUESTRO
An SIN Affiliated Station

*According to 5/83 Arbitron ADI Share. **Source: Arbitron 5/83 Mon-Fri 7:00-8:00 pm. ***Source: Arbitron 5/83 Mon-Fri 6:00-10:00 pm.

Peter J. Hoult, vp-mktg
Griffith E. Harlow, mktg development director
Thomas L. Ogburn Jr., director of mktg (Canada, Latin America, Caribbean)

Advertising Agencies

McCann Erickson, New York and international affiliates—Camel worldwide.

Other brands handled through a variety of agency assignments country by country.

R.J. REYNOLDS INDUSTRIES FOOD AND BEVERAGE GROUP

Marketing Personnel

Robert W. Pratt Jr., vp-planning and development
Joseph M. McGarry, vp-corporate affairs
Lorraine C. Scarpa, director, mktg services
Robert M. Ward, director, adv services

HEUBLEIN SPIRITS & WINE CO.

William R. Henn, senior vp, planning and development
Erik J. Pierce, vp-pr

OPERATING UNITS

Heublein Spirits

Robert R. Weiss, president
Charles J. Herbert, president, spirits sales div
William F. Engster, vp-sales
Nello Trevisan, vp-mfg brands
Ronald B. Schlossberg, vp-mktg
William C. Bennett, vp-mktg, planning and admin
James C. Dennis, group director, established brands
Neil F. Kelliher, group director, vodka
Peter Seremet, director-pr
Ronald Rose, vp-natl accts
Martin Wehr, director-mktg, natl accts

Heublein Wines

Robert M. Furek, president and ceo
Edmund A. Rossi Jr., vp and wine maker
Robert D. Rossi, vp-wine and production planning
Frederick J. LeDrew, vp-sales
Dennis P. Fife, vp-genl mgr, Inglenook
Richard Kampe, vp-mktg
Mike Silva, director-pr

Heublein International Beverages

Barry M. Rowles, president
Leonard D. Blado, senior vp-mktg and development
Anthony Bougere, vp-mktg

Beaulieu Vineyard

Legh F. Knowles Jr., president
Thomas B. Selfridge, vp-genl mgr and wine maker
Robert M. Dye Jr., controller

International Vintage Wines

George T. Eisenberg, president
Dennis C. Delaney, vp-mktg and sales
David H. Kirsch, director, finance admin and operations

KENTUCKY FRIED CHICKEN CORP.

Richard Mayer, chairman and ceo, president-KFC-USA
Robert Hiatt, president-KFC Intl
Donald E. Doyle, president-KFC Mgmt Co.
Harry Lavo, president-Zantigo Restaurants
Mick McGraw, senior vp-Worldwide Services
Robert Lee, vp-field mktg
Scott Conners, vp-prod development mktg

DEL MONTE CORP.

Specialty Grocery Products

Hugh R. Beath, president
Brian E. Falck, vp-mktg
David Noon, director, sauces and condiments
Paul Lamonia, mktg director, foodservice
Dominque Bastien, mktg director, oriental and development brands
Paul Litwack, mktg director, Mexican retail

Advertising Agencies

Albert Frank/FCB, New York—Kiku Sake, Hungarian Wines, Bouchard Pere et Fils French wines, Latour cognac—Stephen Witt, chairman; Robert Jenove, senior vp.

Marshalk Co., New York—Food and retail grocery advertising (A.1. Steak Sauce, Grey Poupon Dijon Mustard, Regina Wine Vinegars and Cooking Wines, Ortega Mexican products, tacos, chiles, sauces, Chun King Oriental Non-Frozen Foods, My*T*Fine puddings, Vermont Maid syrup, Brer Rabbit molasses, College Inn broths, Davis Baking Powder). Liquor advertising (Smirnoff vodka, Smirnoff Silver vodka, Smirnoff de Czar Special Reserve vodka, Yukon Jack Canadian liqueur, Steel peppermint schnapps, Boggs cranberry liqueur, Relska vodka, Popov vodka, Arrow cordials, Beaulieu Vineyard wines).—Dan Cohen, exec vp, all brands; Jeff Adams, vp-mgmt super, grocery prods; Karl Maier, vp-mgmt super, vodka; Don Richards, senior vp-mgmt super, all other spirits prods.

Laurence, Charles & Free, New York—Jose Cuervo tequila, Black Velvet Canadian whisky, Black & White scotch, Matador tequila, Lancers wines, Centenario tequila, McMasters scotch and McMasters Canadian, Malcolm Hereford's Cows, Irish Mist imported liqueur, Club cocktails, Heublein cocktails, American Creme, Jeremiah Weed bourbon liqueur—Martin Smith, exec vp; Robert Adler, senior vp.

UniWorld Group, New York—Ethnic and general advertising—Smirnoff vodka, Harvey's Bristol Cream, Club cocktails, Brass Monkey, Don Q rum—Byron Lewis, president; Herman Morales, vp-business manager.

Castor Spanish International, New York—Hispanic advertising—Smirnoff vodka, Don Q rum, Jose Cuervo tequila, Black Velvet Canadian whisky, Viejo Vergel Mexican brandy—Castor Fernandez, president, creative director; Arturo Andrade, exec vp.

DeVine & Partners, Norwell, Mass.—Grocery products food service advertising—Hugh DeVine, president; Matt DeVine, vp.

Young & Rubicam-Dentsu, Los Angeles—Inglenook, Jacare wines—Richard Wittstadt, vp-media director.

Young & Rubicam, New York—Kentucky Fried Chicken Corp. national co-op and company-owned outlets advertising—John P. McGarry, exec vp-group director.

Young & Rubicam, Chicago—Chun King frozen foods, Patio Mexican foods, Morton frozen foods—David Tracy, vp-media director.

McCann-Erickson, San Francisco—Del Monte Mexican foods, Del Monte catsup, Del Monte Lite fruits, Del Monte canned vegetables, Del Monte pineapple, Del Monte tomato products, Del Monte dried fruits, Del Monte pickles—Wayne Fulcher, vp-acct super.

McCann-Erickson, Louisville—H. Salt seafoods, Zantigo Mexican restaurants.

BBDO/West, San Francisco—Hawaiian Punch, Del Monte juices—Terry Morford, vp-mgmt super.

Mingo-Jones, New York—Kentucky Fried Chicken Corp. company-owned outlets in New York, Kentucky Fried Chicken Corp. black media—Samuel Chisholm, vp-mgmt super.

Caravetta Allen Kimbrough/BBDO, Coral Gables, Fla.—Del Monte fresh fruit—John Kimbrough, president.

Scali, McCabe, Sloves Inc., New York—Harveys Bristol Cream sherry and other Harveys products.

Richardson-Vicks

	1982	1981
Sales*........	$1,115,600,000	$1,088,100,000
Earnings.....	66,900,000	83,200,000†
Advertising**..	129,289,400	149,000,000

*Fiscal year ending June 30
**AA estimate
†Restated

Richardson-Vicks, Wilton, Conn., the nation's 50th largest advertiser, decreased its domestic advertising spending by an estimated 13% in 1982 to $129.3 million.

Worldwide sales rose 3% to $1.12 billion from $1.09 billion in 1981. Net income, however, decreased 20%, from $83.2 million in 1981 to $66.9 million last year. The company attributed the decline in income to the strong U.S. dollar abroad.

The company's fiscal 1983, ended June 30, 1983, showed sales of $1.12 billion, practically the same as its 1982 sales, while net income dropped 23.1% to $51.4 million. The decline was attributed to unfavorable currency exchange rates, particularly involving the devalued Mexican peso. Conversion on fiscal 1983 sales amounted to a loss of $180 million when compared with 1982 average exchange rates, R-V stated.

The company attributed the drop in income to high inventory costs in Mexico and marketing support for newly launched and acquired products. At the end of the third quarter, R-V acquired Vidal Sassoon Inc., marketer of haircare products. Sassoon's annual worldwide sales exceed $110 million, with 80% coming from the U.S. The Sassoon acquisition represents R-V's second step into the haircare field. Early this year it acquired Pantene, a marketer of hair and skincare products with worldwide sales of $65 million in 1982. R-V has had a strong presence in the European haircare market, but with Sassoon and Pantene it may have gained a strong foothold in the U.S.

At the start of fiscal 1983, the company purchased Percogesic analgesic from Endo Labs, a subsidiary of E.I. du Pont de Nemours & Co. Annual sales of the drug have reached the $6 million level. It is another example of R-V acquiring an established brand in a field where it formerly had no entries.

R-V also acquired Mill Creek products, a marketer of natural haircare and skincare products. Mill Creek's goods are sold in health food stores and nutrition centers of mass merchandise stores. Mill Creek, which has annual sales of $12 million, is slated to become a unit of Plus Products, an R-V subsidiary.

While R-V said it will continue to support its key brands, which have traditionally been cold remedy products, these acquisitions represent a move away from dependence on one area. At the end of fiscal 1982, categories other than cold remedies accounted for more than two-thirds of the company's annual sales.

Sales in the consumer products division, which markets the Vicks line, increased only slightly in 1982, rising from $954 million in 1981 to $956 million. As in 1981, a mild winter accounted for the low cold and flu incidences, resulting in lower sales levels for the cold products. In November of last year, the company rolled out an improved Vicks Sinex nasal spray nationally. The product is designed to offer relief for up to 12 hours. Advertising for the brand itself declined by 6% in 1982, from $4.7 million to $4.4 million.

Advertising for Vicks DayCare cold capsules declined even more markedly, as the company dropped network tv advertising for the product. Ad support dropped 84%, from $3.1 million in 1981 to $477,000 last year.

Vicks Headway, a multisymptom product introduced with great fanfare in the fall of 1981, had a 63% drop in ad spending last year, from $4.5 million for its debut to $1.7 million in 1982.

One new product launched last year was Tempo, a chewable antacid. The product, competing in the $500 million antacid market, was supported by $2.6 million in ads in 1982, most of it going to network tv.

In the personal care field, Oil of Olay, the industry leader in the skin-moisturizer market, is facing assaults on several fronts. In June, American Home Products' Whitehall Laboratories introduced Youth Garde moisturizer, with Catherine Deneuve as spokeswoman. Gillette is planning to expand its Aapri line of cleanser/moisturizer.

According to trade sources, Oil of Olay's market share dropped from 34% in 1981 to 31% last year. Ad spending fell 29% last year to $26.1 million from $37 million in 1981.

Denquel, a product the company introduced in fiscal 1982, received $662,000 in ad spending, all in magazines. R-V believes that the product, a toothpaste for sensitive teeth, has a large market, with 40 million adults suffering from tooth hypersensitivity.

At the end of last year, R-V started test marketing Lavoris Formula Z, available in mint and cinnamon flavors. Ads stress an ingredient that the company claims neutralizes the causes of breath odor.

In the home care products division, sales of Formby's wood care and refinishing products increased by 50% last year. Several new products are in development or test, while ad spending rose to $5.5 million in 1982 from $4.4 million in 1981.

Abbe Wichman

ADVERTISING EXPENDITURES

	1982	1981
Newspapers.......	$14,200	—
Magazines........	8,126,500	$6,174,400
Spot tv...........	13,778,400	15,125,800
Network tv........	48,475,600	67,624,700
Spot radio	168,600	—
Network radio.....	726,100	2,184,000
Total measured..	71,289,400	91,108,900
Unmeasured....	58,000,000	57,891,100
Estimated total..	129,289,400	149,000,000

VICKS HEALTH CARE DIVISION

Marketing Personnel

R.A. Ahrens, president-genl mgr
D. Battiato, mktg director
W.J. O'Neill, mktg director
W.S. McGranahan, vp-mktg services

Advertising Agencies

Benton & Bowles, New York—NyQuil, Sinex, Vaporub, Vicks Blue cough drops, Victor's cough drops, Vicks cough drops—Richard Hopple, senior vp-acct director; Alan Goltz, senior vp-mgmt super; Vaporub, Vicks Blue, Victor's, Vicks: William Perkins, vp-acct super; Denise Plaza, acct exec., Nyquil, Sinex: Pat Doody, vp-acct super; Nancy Bowling, acct exec, Nyquil; Priscilla Dunn, acct exec, Sinex.

Young & Rubicam, New York—Formula 44D—Robert Gleckler, senior vp-mgmt super; William Mears, acct exec; Joel Tempo-Goren, acct super.

Jordan, Case & McGrath, New York—DayCare capsules and liquid, Headway capsules and tablets—Jack Taylor, vp-mgmt super; Rob Moorman, acct super.

VICKS TOILETRY PRODUCTS DIVISION

Marketing Personnel

J.D Auty, president-genl mgr
N. Matt, vp-mktg director
P.L. Wilson, vp-mktg director
W.S. McGranahan, vp-mktg services
T.W. Peterson, vp-mktg director
R. Rogge, vp-mktg director

Advertising Agencies

Benton & Bowles, New York—Clearasil, Topex, Fasteeth, Fixodent—Richard Hopple, senior vp-acct director; John Boyd, senior vp-mgmt super, Clearasil and Topex; Nancy Temkin, acct exec, Clearasil and Topex; Pat Doody, vp-acct super, Fasteeth and Fixodent; Denise Plaza, acct exec, Fasteeth and Fixodent.

Young & Rubicam, New York—Olay prods—Robert Gleckler, senior vp-mgmt super; Robert Donahoe, acct super, Olay; Jeremy Birkbeck and Consuelo Gomez, acct execs, Olay; Arlene Eagle, acct exec, new prods; Bonnie Goren, acct super, new prods.

North Castle Partners, Greenwich, Conn.—Lavoris—Lynn Rotando, exec vp-mgmt super; Peter Williams, acct director; Diane Delano, acct exec.

Carrafiello-Diehl & Associates, Irvington-on-Hudson, N.Y.—Denquel, professional prods—Kevin P. McIntosh, vp-acct super.

Jordan, Case & McGrath, New York—new prods—Jack Taylor, vp-mgmt super; John Havrilla, acct super.

J.T. BAKER CHEMICAL CO.

Marketing Personnel

N.P. Klass, president-genl mgr
P.E. Brunswick, vp-mktg, lab products
B.M. Rein, vp-mktg, specialty chemicals
R.B. Schlake, mktg director, horticulture prods
J.L. Zapf, director-mktg admin

Advertising Agencies

Cunningham & Walsh, Chicago—Bag-A-Bug Japanese beetle trap, gypsy moth trap, spray, barrier tape—James Davison, vp-acct super; Andrea Barr, acct exec; Alan Kwertzman, creative director.

Stiegler Agency, Allentown, Pa.—laboratory prods—Daniel Wells, president-mgmt super; Peggy Naab, acct super.

Rosston, Kremer & Slawter, New York—specialty chemicals—Abe Kremer, president.

BAKER INSTRUMENTS CORP.

Marketing Personnel

J.R. Kelsey, president-genl mgr
R.A. Sullivan, vp-intl operations
D.J. Holland, vp-sales
M.G. Hossom, vp-mgr, chemistry systems

Advertising Agencies

Falcone & Associates, Chatham, N.J.—CentrifiChem Instruments & Reagents—Bill Falcone, president; Margaret A. Schenck, vp-copy director; Matthew S. Malkowicz, mktg services.

Barbetta Miller, Garfield, N.J.—hematology systems, immunology systems, chemistry systems—Joseph Barbetta, president; Rebel Robertson III, senior vp; Thomas Brogran, exec vp; Barbara Courtney, acct exec.

RVI HOME CARE PRODUCTS DIVISION

Marketing Personnel

J.B. Cappio, president-genl mgr
J.D. Mitchell, director-mktg and sales
W.P. Melvin, director-mktg and sales
E.J. McBride, mktg mgr
B. Sharpe, mktg mgr

Advertising Agency

Slater Hanft Martin, New York—Formby's furniture refinisher, paint remover, Tri-Flow, Thompson's Water Seal—Jerry Martin, president-mgmt super; Pamela Burns, acct super; Karen D'Arcy, acct exec.

PLUS PRODUCTS

Marketing Personnel

D.V. Sheehan, exec vp-genl mgr
D. Hoffmeister, vp-mgmt operations
R.E. Carter, mktg mgr
G.J. Grabner, natl sales mgr

Advertising Agency

Slater Hanft Martin, N.Y.—all prods—Jerry Martin, president-mgmt super; Pamela Burns, acct super; Karen D'Arcy, acct exec.

VICKS INTERNATIONAL EUROPE/AFRICA DIVISION

Marketing Personnel

J.R. Markley, president-genl mgr
C.E. Blach, mktg director
J.W. Coyne, plans group director, cough drops
R. May, plans group director
D.O. Schultz, plans group director, skin/hair care
D. Lapouyade, plans group director, baby/oral

VICKS AMERICAS/FAR EAST DIVISION

Marketing Personnel

L.P. Mattis, president-genl mgr
C. Nash, exec vp-mktg director
W.A. Crowther, mktg director-communications
P. Draper, director-mktg research

Royal Crown Cos.

	1982	1981
Sales........	$469,000,000	$450,434,000
Earnings.....	15,951,000	15,530,000
Advertising*..	50,275,000	37,912,300

*AA estimate

Royal Crown Cos., Atlanta, the 92nd largest national advertiser, increased its domestic advertising spending to an estimated $50.3 million in 1982, up from $37.9 million the previous year.

Net sales for Royal Crown Cos. were up 4.2% last year, to $469 million, compared with an increase of 2.8% in 1981. In 1982, earnings were up 2.6%, to $16 million, and the company experienced its 46th consecutive year of uninterrupted dividends.

The earnings gain, despite poor performance by several of the home furnishing subsidiaries, was accomplished through heavy investment in advertising and promotional expenditures in support of the new soft drink products.

Royal Crown Cos. operates in four business segments: Soft drinks, fast foods, citrus juices, and home furnishings. Food and beverages account for more than 85% of total sales. The company sells its products in 60 countries.

Higher revenues by the soft drink and fast food divisions offset lower sales by citrus and home furnishings. Over-all, Royal Crown Cos.' businesses performed well despite the economic conditions that prevailed in 1982.

Royal Crown Cola Co., the soft drink segment, produces and markets principally RC Cola, RC100, Diet Rite and Nehi brands to retail stores through franchised and company-owned bottlers.

The fast food business involves licensed and company-owned Arby's roast beef sandwich restaurants.

RC's citrus operations process and market natural fruit juice products under the Adams and Texsun brands and private labels.

Its home furnishings business involves the maketing of Frederick Cooper lamps, Couroc serving trays, Athens bedroom and occasional furniture, National pictures and frames and Hoyne mirrors.

Rolling Meadows, Ill.-based Royal Crown Cola Co., RC's largest division, had a six percent sales gain to $242.7 million and increased its operating profit 18% to a record $26.8 million. Exceptional unit sales growth of RC100, together with higher prices, generated a 6% increase in total soft drink sales from 1981.

Royal Crown Cola Co. is noted as the innovator in the soft drink industry. It was the first national company to introduce the 16-oz. bottle, the first to sell soft drinks in cans and the first to market a diet soft drink (Diet Rite in 1962). In 1980, it launched the caffeine-free era with RC 100 Sugar Free. As expected, other soft drink companies, spurred by RC's success, recognized the potential of the caffeine-free segment of the market and introduced imitative products during 1982, including PepsiCo's Pepsi Free, Philip Morris' Like, and caffeine free Coke.

The pioneering company's most recent development comes in the form of a sodium-free, caffeine-free version of its Diet Rite brand. The soft drink industry's first such product formulation will contain NutraSweet, G.D. Searle & Co.'s new aspartame sweetener. Currently, Diet Rite contains caffeine and is sweetened with saccharin.

Led by RC100, the original caffeine-free, sugar-free cola, the soft drink division increased its market share to 2.7 in 1982.

To reinforce and capitalize on RC100's leadership position, the company's investment in soft drink advertising and promotion was increased more than 40% over 1981's expenditures. RC100 continued its exceptional sales growth with unit sales increasing more than 75% over the prior year.

However, being first with a new product doesn't guarantee sales leadership in a competitive market. Cola forerunners, Coke and Pepsi, have an advantage in that RC is distributed in only 45% of the country. Because it lacks sufficient financial backing, Royal Crown Cola Co. is unable to support adequate market segmentation.

In April 1982, RC broke with Decaffeinated RC, a sweetened, decaffeinated counterpart to its RC100 brand.

According to the company, the introduction of Decaffeinated RC was the product of 2½ years of research, rather than an attempt to combat the success of Seven-Up's, "Never had it, never will" campaign.

Decaffeinated RC failed to carve a niche within the booming caffeine-free cola segment. In September, 1982, the company repositioned Decaffeinated RC as the "regular" counterpart of its successful sugar and caffeine-free trailblazer, RC100, due to disappointing consumer response to the brand. A new graphic design—a red logo on a silver can—was also included in the over-all marketing face-lift.

Stepped-up competition within the soft drink market forced Royal Crown Cola Co. to re-evaluate marketing strategies for its cola brands. In January 1983, the company announced that it would move its estimated $20 million account to Dancer Fitzgerald Sample, New York from Ogilvy & Mather, which handled the account for four-and-a-half years.

The biggest sales gainers last year, according to *Beverage Industry*, were the diet drinks, which accounted for nearly 14% of the entire category, an 11% increase in diet sales from the previous year. Total soft drink volume was up 2.7% from the previous year, to just more than six billion cases (24 8-oz. containers per case), the magazine estimates.

With America's growing interest in physical fitness and staying slim, soft drink analysts predict major growth in the coming years will be in the sugar-free portion of the industry. During 1982, RC's efforts were focused on this area of the business, ultimately increasing its share of the diet soft drink market by .2%.

Early in the year, nationwide taste tests of the National Advertising Division of Better Business Bureau confirmed the authenticity of Diet Rite's April 1981 ad claims against Diet Pepsi and Tab. Royal Crown Cola Co.'s sugar-free products, Diet Rite and RC100, account for 29% of RC's total soft drink sales.

Research done by *Beverage Industry* cites RC Cola brand as ranking ninth among the top ten soft drinks, per million cases/market share. During 1981 Diet Pepsi managed to move ahead of RC to be ranked eighth.

Distributing problems plagued Royal Crown Co. throughout most of the year. In January, Joyce Beverages of New York—already a Royal Crown Cola distributor—attempted to carry Phillip Morris' Like decaffeinated cola. RC objected, and Joyce sued in federal court, seeking a preliminary injunction that would forbid RC from terminating the bottler's franchise agreement upon distribution of Like. The court ruled against the bottler, saying the selling of Like would prohibit the distributor from giving RC its "best efforts."

In bottling, RC now operates six company-owned plants which produce 22% of its soft drink case sales.

Arby's Inc., Royal Crown Cos.' fast food subsidiary, reached $575 million in systemwide sales, up 8.4% from the 1981 total of $527 million. Arby's revenues increased 19% to $83.6 million, but earnings of $7.5 million were slightly below last year.

Earnings were not only affected by higher restaurant operating costs, but also by consumer demand. According to Larry Krueger, senior vp-marketing, "Arby's has a high reliance on beef and total beef consumption is on a downward trend. We are leaders in a market that's declining.

In January, 1983, Arby's Inc. selected Grey, New York, for its $6 million to $7 million account, formerly with Lois Pitts Gershon, New York.

In October, 1982, Arby's broke with a new campaign, touting the theme, "Arby's, you've said a mouthful," stressing its diverse menu, which includes its new chicken and deli sandwiches. There were 1,218 restaurants in operation at yearend—150 company-owned, 1,068 licensed. Arby's systemwide sales reached $575 million, a 9% gain from the previous year.

Royal Crown Cos.' citrus division sales of $78.0 million were below 1981 results, and operating profit declined 25% to $8.1 million from $10.8 million.

Home furnishings' results were disappointing, strongly affected by the weak economy. The division operated at a loss of $1.9 million in 1982, and sales of $65.5 million were down from the previous year's $70.5 million.

Marie Spadoni

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$2,773,100	$1,135,500
Magazines	—	532,600
Spot tv	23,421,600	18,523,800
Network tv	4,801,900	3,921,200
Spot radio	1,889,200	930,800
Outdoor	630,900	231,000
Total measured	33,516,700	25,274,900
Unmeasured	16,758,300	12,637,400
Estimated total	50,275,000	37,912,300

ROYAL CROWN COLA CO.
Rolling Meadows, Ill.
Marketing Personnel

Fred M. Adamany, president
G. Lane Barnett, mktg director
Richard P. Farrel, vp-sales
Linda Rutkowski, vp-advertising
Michael V. Prindiville, promo director

Advertising Agency

Dancer, Fitzgerald, Sample, New York—RC, Diet Rite, RC100 Sugar Free, RC100 Regular, Nehi, Upper 10—Bob Weekes, vp-mgmt director; Ed Boyer, mgmt super; Reg Pierce, acct super.

ARBY'S INC.
Marketing Personnel

Jefferson T. McMahon, president
Robert McDowell, exec vp-mktg
Larry Krueger, senior vp-mktg
Tom Whitley, vp-mktg
Jon Ritt, vp-mktg

Advertising Agency

Grey Advertising, New York—Jordan Rosuck, exec vp-acct mgmt; Warren Fischer, vp-mgmt super; Pat Lee, acct super; Ken Brown, acct exec.

ADAMS PACKING ASSN.
Auburndale, Fla.

Ben R. Adams, president

TEXSUN CORP.
Weslaco, Tex.

Ben R. Adams, president

NATIONAL PICTURE & FRAME CO.
Greenwood, Miss.

Joseph A. George Jr., president

HOYNE INDUSTRIES, INC.
Rolling Meadows, Ill.

Joseph A. George Jr., president

FREDERICK COOPER LAMPS CO.
Chicago, Ill.

Leo Gershanov, president

COUROC OF MONTEREY
Monterey, Cal.

Richard P. McDermott, president

ATHENS FURNITURE
Athens, Tennessee

Basil Turbyfill, president

Schering-Plough Corp.

	1982	1981
Sales	$1,817,900,000	$1,808,800,000
Earnings	183,500,000	179,300,000
Advertising*	123,932,700	119,768,600

*AA estimate

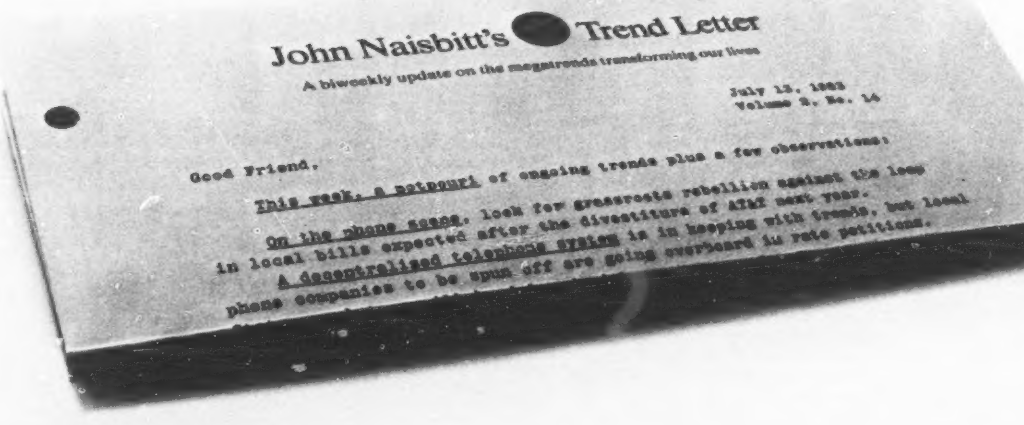
Schering-Plough, Kenilworth, N.J., the 51st largest advertiser, increased its advertising spending by 3.4% in 1982 to $123.9 million, up from $119.8 million in 1981.

Sales of the drugs and cosmetics company rose less than 1%, increasing to $1.82 billion in 1982 from $1.81 billion the previous year. Profits rose slightly, to $183.5 million in 1982, an increase of 2.3% from 1981.

During the past year, the company made some major agency switches and consolidations and ventured into two new market areas with extensions of existing product lines.

The Tylenol poisoning scare last October prompted the company to intro-

Megatrends
(cont.)



John Naisbitt's Trend Letter
A biweekly update on the megatrends transforming our lives

July 13, 1983
Volume 2, No. 14

Good Friend,

This week, a potpourri of ongoing trends plus a few observations:

On the phone scene, look for grassroots rebellion against the leap in local bills expected after the divestiture of AT&T next year.

A decentralized telephone system is in keeping with trends, but local phone companies to be spun off are going overboard in rate petitions.

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Megatrends
Ten New Directions Transforming Our Lives
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Give Yourself The Edge...Today!

duce St. Joseph maximum-strength pain reliever for adults by November. Schering-Plough budgeted $20 million to support the product, launching it with a tv, couponing and sampling campaign.

The company also added a children's nonaspirin to the St. Joseph line. This entry is not surprising considering the market for children's aspirin continues to erode as wary parents search for alternatives. In the past two years, Johnson & Johnson's Tylenol nonaspirin has seen its share rise to 61.8% from 47.2% in 1980; at the same time, St. Joseph's share dropped from 18.1% down to 11.8% in the children's aspirin category.

According to Leading National Advertisers, Schering-Plough spent $1.6 million on measured advertising for the St. Joseph's brand, down 15.3% from 1981. This decrease could be attributed to a mild winter and fewer colds, prompting less advertising for cold tablets and cough syrup.

Sales of Schering-Plough's U.S. cosmetics division increased 11% to $181.7 million, down from a 14% increase from 1980 to 1981. Total measured spending for the division was $25.2 million, up 10% from 1981.

The company expanded its Maybelline product line by entering the fragrance category with Daydreams perfume, cologne and spray. The moderately priced entry ($5 to $9 range) was supported by a $4.2 million tv and magazine introductory campaign themed, "The fragrance for memories that linger." Maybelline also introduced six additional new products, including Eye Writer pencils and Rich 'n Gentle mascara. The company spent $10 million advertising its mascaras, up 18.5% from 1981, and holds a 61.4% share in grocery store dollar sales, according to industry sources.

Shares of grocery sales of other Maybelline products are as follows: Eyeliner, 58.5%; lipstick, 37.1%; eye shadow, 30.4%; facial makeup, 16.1%, and nailcare, 12.3%. The future does not look bright for the company's Moisture Whip makeup, as it has accumulated less than a 1% market share. The company pushed the product line hard in 1981, spending more than $9 million in advertising as it attempted to expand with the introduction of a group of moisturizers. In 1982, ad spending dropped 24% to $6.9 million, with $1.8 million spent on creams and lotions advertising, down 62% from 1981.

Other new products of note that Schering-Plough introduced during the year included Drixoral long-acting decongestant/antihistamine (formerly an ethical drug), Escort tick and flea collar and Dura Soft contact lenses, which made their debut on the West Coast in September, 1982. Sales of the company's vision care division were $14.4 million in 1982, up 55% from 1981.

In the suncare category, Coppertone continued to dominate, despite a cool, wet summer in many regions of the country. Schering-Plough's suncare division spent $11.1 million in measured advertising, a 38.7% increase from 1981's spending level of $8 million. It continued heavy support of two products it introduced in 1981—Coppertone Lite and For Faces Only. Measured spending for Coppertone lotion (Lite included) was $1.6 million, up from $32,300 in 1981. The company spent $1.84 million in measured spending for its For Faces Only products, with $1.74 million of that used to advertise the line's suntan lotion. In 1981, the company spent only $151,000 on the line. Schering-Plough increased the ad budget of its Tropical Blend line 44% to $2.1 million, and similarly continued to push its Shade products with $2 million in measured spending, up 41.2% from 1981.

Sales of the company's footcare division, marketed as Dr. Scholl's, fell sharply to below 1980 levels, registering a 19.7% drop from 1981 to $103 million. According to the company, the drop came primarily because of a decrease in Exercise Sandal sales and the divestiture to Miller Shoe Co., which included the Scholl inventory of finished leather shoes and raw materials, Scholl retail outlets and certain trade names.

Scholl's Sashay sandals, with a more flexible sole than Exercise sandals, were introduced nationally in 1982. The product previously had been available in only about 40% of the country. Ad spending for Scholl's shoes was up 83% to $3.9 million, taking more than $1 million from spending on its footcare products, which dropped 25% to $3.8 million.

Scholl's also dropped its agency. The company cited a need to "consolidate" its advertising as the reason for firing N W Ayer, Chicago, in May, 1982. Scholl products went to Ted Bates Advertising, New York, with new-product work to be continued by Bates' subsidiary, Stern Walters/Earle Ludgin, Chicago. Media buying will continue to be handled by Schering-Plough's inhouse agency, Lake-Spiro-Shurman, Memphis.

In November, 1982, the company also eliminated Foote, Cone & Belding and Marschalk Co. from its roster. The Bloom Agency, Dallas, picked up products from both agencies—Moisture Whip cosmetics from Marschalk, and Aftate, Feen-a-Mint, Solarcaine and Tropical Blend from FCB.

Warwick Advertising, New York, added St. Joseph aspirin-free analgesic tablets for adults, which had been handled by FCB, to its St. Joseph account. Warwick also gained Coppertone Shade products and Regutol laxative from the agency. From Marschalk, Warwick added Maybelline's Ultra-Slim lipstick, Brush/Blush brands, Kissing Glosses, Shine and Shape, Cover Stick and new products. It is estimated that Bloom captured almost $20 million in business. Spending on the Warwick additions was not disclosed. The company sold one of its subsidiaries, Dap Inc., to Beecham Group PLC, London, for $70 million in March, 1983. Schering-Plough said it sold the home products business to better concentrate on its healthcare and cosmetics subsidiaries. Reports say the subsidiary was worth $41 million; Schering-Plough spent $996,000 in measured advertising for Dap in 1982, up 21% from the previous year.

Lisa Wells

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$259,200	$546,000
Magazines	16,860,700	15,664,800
Farm publications	514,100	672,900
Spot tv	5,293,800	6,763,100
Network tv	42,947,900	40,492,300
Spot radio	1,246,000	1,260,800
Network radio	3,603,700	2,745,900
Outdoor	1,907,300	1,816,800
Total measured	72,632,700	69,962,600
Unmeasured	51,300,000	49,806,000
Estimated total	123,932,700	119,768,600

LAKE-SPIRO-SHURMAN

Inhouse Advertising Agency

H.K. McIntyre, president
Avron Spiro Jr., exec vp
Gene Camerik, vp-spot broadcast
Ted Kingsford, vp-mktg services
Lynn Sanders, vp-print media

U.S. PROPRIETARY DRUGS & TOILETRIES

Marketing Personnel

Richard Briscoe, president
Russell Elliot, senior vp-adv and mkt rsch
William Manley, adv director
Pat McGhee, vp-mktg and planning
Jerry Simmons, vp-new ventures
JoAnne Brown, mktg director

Sales Personnel

Charley Naff, president, Plough Sales
Joe Edmonson, senior vp-adm & planning
Dave Wells, senior vp-natl acct director
Jim Erwin, vp-Florida sales
Ken Crites, vp-southwestern area
Steve Kane, vp-north central area
Mike Swider, vp-northeastern area
John Gardner, vp-southeastern area
Dave Heath, vp-western area
Craig Cowles, vp-west central area
Ken Benderman, vp-broker sales

U.S. COSMETIC DIVISION

Marketing Personnel

David Brittain, president
Hank Pellegrin, senior vp-mktg & sales
Bob Schreiber, vp-adv
Chris Berry, vp-mktg, eye/nail/fragrance prods
John Conte, vp-mktg, face/lip/skincare prods
Roz Diabock, vp-prod devel
Geoff Crane, mktg director-fragrance
Nick Andrus, Curt Hicks, Roger Lewis, group mktg mgrs
Sheila Rose, Cathy Wills, Miller Slaughter, Ken Goff, Nancy Silverman, Richard Barsky, Sarian Bell, mktg mgrs

DR. SCHOLL'S

Marketing Personnel

James Harwood, president
Edward McManic, senior vp-operations
James Roudebush, vp-mktg
Ken Shaw, vp-adv
Don Anderson, mktg director
Alan Beychok, new prods devel mgr
Frank Wirth, group prod mgr
Edward Danse, Mark Hagen, Scott Connor, prod mgrs

SCHERING LABORATORIES SCHERING DIVISION

Marketing Personnel

H. Steven Schneider, vp-genl mgr
H. Weintraub, vp-sales
Robert Rauf, director, adv/sales promo
L. DeVink, vp-mktg planning
Michael Walsh, director, otc prods
Van Knox, director Rx prods
Arnold Burstein, director, mktg services
Daniel Tousman, senior director, business devel

Advertising Agencies

Lake-Spiro-Shurman, Memphis—all Plough, Maybelline & Scholl media placement in the U.S.

Warwick Advertising, New York—St. Joseph prods, Feen-a-Mint, Duration, Sardo, Artra, Sulfer-8 line, Black & White line, Coppertone prods, QT prods, Correctol laxative, Mexsana medicated powder, Aspergum, Sudden Tan.

Ted Bates Advertising, New York—Maybelline eye cosmetics and nail enamel, Dr. Scholl's.

Bloom Agency, Dallas—Moisture Whip, Aftate, Feen-a-Mint, Solarcaine, Tropical Blend—Sherri Babcock, acct super.

Rolf Werner Rosenthal, New York, prescription prods—Rolf W. Rosenthal, president/ceo; Ronald J. Souza, senior vp-director, client services; Phil Brady, vp-acct group super; Paul Schnieder, acct super.

ProClinics, New York—prescription prods—Mel Snyder, president; Robin L. Holton, genl mgr; Charles Beaver, client services.

Ketchum Advertising, New York—medical, paramedical, trade and consumer promo-otc prods—Paul J. Abrams, senior vp-director, sales promo; Donald W. Burkett, senior vp-mgr, acct service; Greg Faust, acct super.

Lewis, Gilman & Kynett, Philadelphia—prescription prods—Charles Mathias, vp-acct super; Warren Dordine, acct exec.

Bergelt Advertising, New York—Schering Veterinary Ethical Products—Edward Bergelt, chairman; Robert Trybus, president; John Fraoli, vp-art director; Gregory Smith, acct exec.

Bryant Lahey & Barnes, Overland Park, Kan.—Burns Biotec Ethical and American Scientific Laboratories—Forrest Bryant, president; Lorraine Barnes, vp-acct super.

Budweiser Light

Anheuser-Busch
National introduction: March, 1982
Introductory budget: $35 million
Agency: Needham, Harper & Steers/USA, Chicago

Bring out your best.
Budweiser LIGHT

Source: AA estimate

Seagram Co. Ltd.

	1982	1981
Sales*	$2,826,184,000	$2,772,733,000
Earnings*	279,441,000	1,559,613,000
Advertising**	153,000,000	145,000,000

*For fiscal year
**AA calendar year estimate

Joseph E. Seagram & Sons, New York, a subsidiary of Seagram Co. Ltd., Montreal, and the 44th largest national advertiser, is estimated to have spent $153 million on domestic advertising in 1982, a 5.5% increase over the previous year.

Seagram Co. Ltd., is the world's largest marketer of distilled spirits and wines, and markets some 175 distilled spirit brands and 300 wines, champagnes, brandies, ports and sherries through subsidiaries and affiliates in 29 countries.

The company reported worldwide advertising and sales promotion expenses of $263 million for fiscal 1982, a 9% increase over fiscal 1982 (ended July 31). For the six months into fiscal 1983, worldwide advertising and sales promotion expenses were $141 million, a 3% increase over the comparable six-month period in fiscal 1982.

Worldwide sales for fiscal 1982 were $2.8 billion, a 2% hike. Net income was $279 million, compared with $1.5 billion in fiscal 1981, when gains realized from the sale of Seagram's U.S. gas and oil holdings were included.

The company, which increased its equity interest in E.I du Pont de Nemours and Co. to 21.3%, now reports annual results for the fiscal year ending Jan. 31, in order to incorporate year-end results for du Pont.

The domestic ad budget has stayed at pretty much the same level over the last three years, a sharp contrast with the late 1970s, when the budget got big increases every year and went from a 1977 level of about $30 million to an average of $150 million for the 1980-82 period. Its ad spending has leveled off but there's been a lot of shifting in media strategy. Not long ago, ad money was allocated evenly between consumer magazines, newspapers and out-of-home media. Then with the big ad increases of the late 1970s, the extra money was put into consumer magazines. By 1980, Seagram's magazine spending totaled nearly $90 million and constituted about a 75% share of the total ad budget. Magazines still get the biggest chunk of Seagram's ad money but are losing some of that dominance to other media. Last year's magazine spending constituted about a 68% share of the total budget.

Seagram spent about $20 million on tv last year, just about all of it to promote its Paul Masson brand wines. The company is still a relative newcomer to tv because of prohibitions against liquor ads on that medium. It only began using tv a few years as it built up its wine holdings.

The new allocations strategy has also seen money moving out of the national editions of the major consumer magazines and into regional magazine editions and newspaper-delivered magazines. Ads for Seagram brands now account for about one-quarter of all the liquor and wine ads placed in regional magazine editions. The game plan here is to promote the bigger brands—V.O., Crown Royal, Chivas Regal, etc.—in national magazines, while promoting the smaller brands in regional editions.

The shift to a more regionally-concentrated strategy, marks somewhat of a return to the regional focus that characterized the company's media planning prior to the 1970's ad increases, and when newspapers were a bigger element in the mix.

Gainers in Seagram's new media strategy include *TV Guide*, the women's magazines and special interest publications, which are now picking up Seagram ad money previously spent on newspaper supplements.

Whatever the media plan, the sales slump continued in the liquor market in 1982 as sales declined 2.6%, which returned domestic liquor consumption to where it was in 1977. Industry forecasters expect sales to drop off another percentage point or two in 1983.

Business Week's annual ranking of the nation's leading liquor brands shows that of the top 63 brands, 40 suffered 1982 sales slumps. Seagram's top-of-the-line 7 Crown brand held on to the No. 3 position and continues to be the nation's top selling whisky, but it sustained a nearly 9% sales decline. The drop came despite an increase in measured media spending for the brand to over $9 million in 1983, up from the previous year's $7.8 million.

The sales loss for Seagram's V.O. brand was even worse (-11.6%), causing it to drop to No. 5 on the *BW* survey, down from 1982's No. 4 position. Brown-Forman's Jack Daniel's brand took over the No. 4 position with a 1% sales gain. Measured media spending for V.O. (and V.O. and Schweppes Club Soda) totaled $10.5 million, down from $13.2 million in 1981.

Other Seagram brands that showed sales declines were Seagram's gin (No. 10 on the *BW* list with a 5.6% sales decline); Kessler blended whisky (No. 27, with a 12% sales decline); Calvert extra (No. 31, down 10% in sales); Chivas Regal (No. 34, down 12% in sales); and Wolfschmidt vodka (tied for the No. 34 spot, and also down 12% in sales).

Seagram's gin received $5 million in measured media support last year, Kessler whisky got $2.4 million, Calvert Extra got $1.5 million, Chivas Regal got $5 million, and Wolfschmidt vodka received $3 million.

Bucking the industry trend and showing an 11% sales gain in 1982 was Seagram's Crown Royal brand (No. 33 on the *BW* survey). Helping it accomplish that was a hefty ad budget—$9 million in measured media support; and Lord Calvert Canadian (No. 32) kept its sales at the previous year's level and was backed with $3.1 million in measured support.

Other Seagram brands getting substantial ad dollars last year included: Christian Brothers brandy (receiving

$3.3 million in measured media support), Glenlivet scotch ($2.2 million), Passport scotch ($3 million), and Jameson Irish whisky ($2.3 million). Leroux Irish Cream whisky, meanwhile, was introduced last year and backed with $1.7 million in measured support.

Over the last decade, U.S. drinkers have switched their drinking preference away from bourbon, scotch, Canadian, and other whisky blends to nonwhiskies such as vodka, gin and "status" liquors, and, of course, also to light beers and wines. Where a decade ago, whisky brands had a 61.5% share of the U.S. drinking market, versus 38.5% for nonwhisky. Now, nonwhiskies lead with a 53% share.

Keeping up with the changing consumer tastes, Seagram moved two new rum entries—Myers' Original rum cream and Captain Morgan spiced rum—into national distribution last year.

Combined measured media spending for the new entries totaled about $1.3 million and was split between magazine ads and outdoor. Ronrico Rum received nearly $3.6 million in measured media spending.

Along with bolstering its nonwhisky liquor lineup, Seagram continues to bolster its wine resources. Last year it consolidated its wine business under Seagram Wine Co., which encompasses Paul Masson Vineyards, Gold Seal Vineyards, Browne Vintner, and several imported wine segments. It started off 1983 by completing agreements with several U.S. wineries to be the distributor and marketer—via yet another newly established unit called American Classics Wine Co.—for their wines, including Merritt, Sage Creek, Bandiera and Chateau Chevalier.

Also in early 1983, Seagram shifted all the major marketing sales and administrative functions of the Paul Masson Vineyards subsidiary from California to New York.

Seagram now operates a total of 23 wineries around the world and is the world's second-largest wine producer. Interjecting a worrisome note, however, were the latest wine sales figures. The domestic wine market is now slowing perceptibly. The Paul Masson wines, however, have been holding on to their share of market, and the new low-calorie Masson Light wines are now in national distribution.

Backed by $6.3 million in measured media ad support, Masson Light wines registered sales of more than a million cases in 1982, their first year of national distribution.

The regular line of Masson wines also received Seagram's heaviest-yet ad splurge in measured media for wines of $6 million. Its theme line, "We will sell no wine before its time," is being delivered by British actor Sir John Gielgud, succeeding Orson Welles in the role.

Masson, in a spot for its light wines stressing taste and low-calorie content, has cast actress Donna Mills of tv's "Knots Landing." The biggest chunk of Masson's estimated $15 million to $20 million ad budget last year went into a heavy tv and print campaign introducing the light wine lineup.

Another strategy aimed at bolstering the Masson line was the decision to reduce its price to enhance competitiveness against Gallo, which increased prices.

Partager, a French wine backed by $2.6 million in measured media support, is on the verge of becoming a million-case brand. Introduced in 1980, it is now the largest-selling French wine in the U.S. Black Tower, a German wine backed by $4.3 million in ad support, meanwhile, scored solid gains in its markets. An even newer wine entry is Corkers Wine Spritzers which was test marketed in New England in the fall.

Along with building up its wine resources, Seagram is also looking to stir up new opportunities outside its traditional wine and spirits business. Early in 1982, it formed Westmount Enterprises as a product development and venture capital division. The new unit has already helped Seagram diversify into nonalcoholic beverages and specialty foods.

Westmount is overseeing a Seagram's joint venture with Coca-Cola Bottling Co. of New York, in which the two will jointly market a new line of premium quality mixers—ginger ale, club soda and seltzer—labeled as Seagram's Mixers. The new line has been successfully tested in New England markets and the line is expected to be introduced nationally by early 1984.

Westmount is also testing Feast for One, a line of gourmet frozen appetizers and entrees, and is considering getting into the franchised restaurant business.

Even as it diversifies, Seagram is also counting on expanding its overseas spirit and wine sales to help offset declines in the U.S. and Canada.

Seagram's continued to expand its overseas markets. It acquired Wilson Distillers Ltd. in New Zealand, that country's only whisky producer, formed Seagram Thailand with Thailand's leading spirits company, and introduced Crescent premium whisky in Japan.

In the social concerns area, Seagram's campaign urging moderation in drinking is now in its 49th year. The ad for the 1982 Christmas/New Year's holidays posed the question: "What to get for the person who's had everything" and gave the answer "a Taxi." For the July, 1983 holiday, it ran an ad headlined "The Fourth of July, Proceed with Caution." Another ad in the moderation campaign addresses the concern of drinking while pregnant.

Meanwhile, what has been called a "landmark" study that Seagram jointly conducted with Time Inc. over a three-year span, was published last year. It confirmed the positive effects that advertising has on sales.

Tom Donlon

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$9,851,300	$12,758,300
Magazines	62,024,000	67,598,500
Spot tv	8,410,300	6,390,800
Network tv	13,754,600	13,958,800
Spot radio	84,600	228,300
Outdoor	16,064,200	13,445,700
Total Measured	110,189,000	114,380,400
Unmeasured	42,811,000	30,619,600
Estimated total	153,000,000	145,000,000

JOS. E. SEAGRAM & SONS INC.

Philip E. Beekman, president
Robert Beller, vp-mktg services
Mary Cunningham, vp-strategic planning and project devel
John A. Minor, director-mktg services, The Seagram Co. Ltd.

SEAGRAM INTERNATIONAL

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Myron A. Roeder, exec vp-mktg
Richard J. Denmark, director of mktg

AMERICAN CLASSICS WINE CO.

Kenneth L. Onish, president

JOS. E. SEAGRAM USA
New York
Marketing Personnel

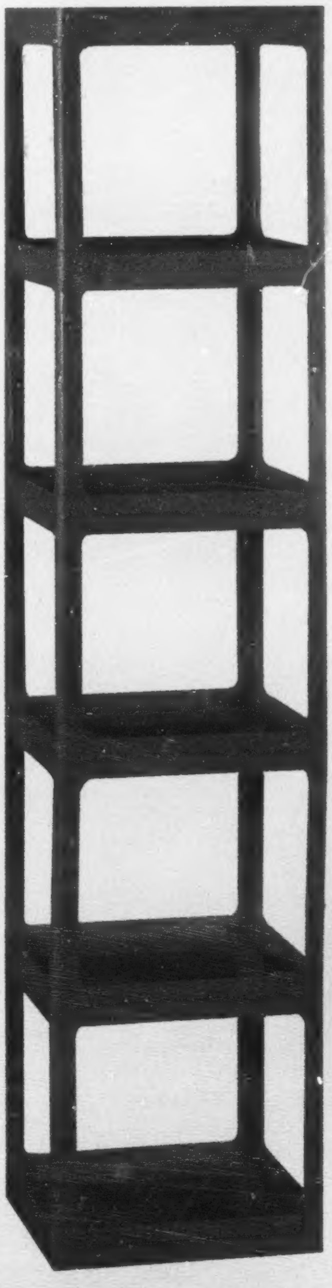
William M. Wilbur, president
Lionel W. Greer, exec vp-sales/mktg
Joel Boyarski, vp-financial planning
Gideon Rabin, vp-public relations
Bernard Stolbof, vp, OUTCO/director media services
Lawrence Weiss, vp, Natl Acct Sales

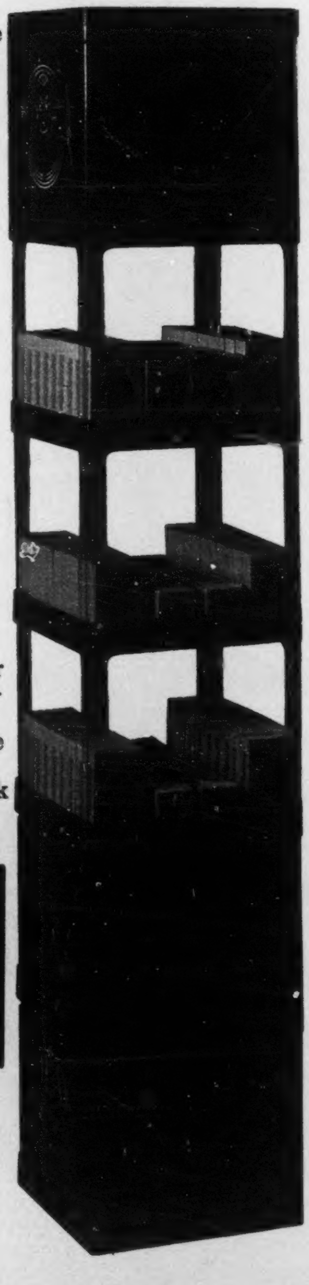
SEAGRAM DISTILLERS CO.
New York
Marketing Personnel

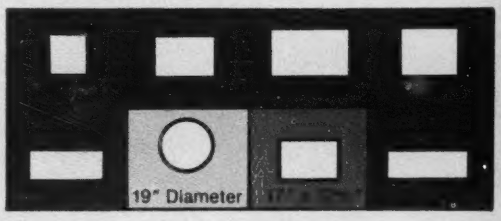
Walter Haimann, president
C. Richard Coffey, exec vp-sales
Joel D. Weiner, exec vp-mktg
Victor Samaha, vp-director of admin
John Reese, director of mktg services
Thomas K. McInerney, vp-director mktg
Arthur Gertz, Alfred C. Lubin, natl sales promo mgrs
Joe A. Buckhalter, mgr-military sales/7 Crown sports program
Albert F. Sprung, director-mktg analysis
Georgette E. Mann, mgr-mktg analysis
Don Keeton, director-sales training
Carl Horton, natl prod mgr, Seagram's gin
Andrew Harmon, natl prod mgr, Seagram's V.O.
Vincent Partridge, natl prod mgr, Seagram's 7 Crown
Richard McCarthy, natl prod mgr, Crown Royal
Bernadette Moran, natl prod mgr, Wolfschmidt vodka and the Glenlivet scotch
Mark Gothberg, natl prod mgr, Myers's rums
Jonathan B. Giesberg, natl prod mgr, Myers's Original rum cream
Laurie Rovner, prod mgr, new prods

Advertising Agencies

Warwick Advertising, New York—Seagram's 7 Crown, Crown Royal, Seagram's V.O., Seagram's Extra Dry gin, Glenlivet scotch, Seagram's institutional adv—James Driscoll, exec vp; Michael Graham, senior vp-mgmt super; Leigh Schmalz, Howard Hersh, Sam Sebree, vps; Connie Scholz, acct







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super.

William Esty Co., New York—Wolfschmidt vodka, Myers's rum—John Scott, mgmt super; Stan Joyce, acct super, rum, Myers's rum cream; Richard Rack, acct super, rum.

Northcastle Partners Inc., Greenwich, Conn.—Captain Morgan Spiced rum—Leonard Feraguzzi, vp-mgmt super; Robert Pallotta, vp-acct director; Kevin Carroll, Susan Garych, acct execs. New products—Evelyn Coghlan, acct super; Mark Grayson, acct exec.

CALVERT DISTILLERS CO.

Marketing Personnel

Marty H. Bart, president
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Michael Moore, exec vp-mktg
Steven J. Kalagher, vp-mkt planning
Jules Erwin, mktg communications mgr
David Newman, Rodger De Sarno, vps-directors of mktg
James Spillane, vp-natl programing
David I. Grossman, director of mktg analysis
Marvin Steinhardt, natl sales promo mgr
Fred Ronai, natl prod mgr, Lord Calvert Canadian
Sam Ellias, natl prod mgr, Captain Morgan rum, new prods
Martin Atlas, natl prod mgr, Jameson Irish whisky, Calvert Extra
Dennis Brophy, natl prod mgr, Kessler whisky, Crown Russe vodka
Michael Mailloux, natl prod mgr, Passport scotch
Margaret Heffernan, natl prod mgr, Burnett's gin, Calvert gin
Arthur Brenner, vp, chain sales

Advertising Agencies

Doyle Dane Bernbach, New York—Calvert Extra, Lord Calvert Canadian, Calvert gin, Crown Russe vodka, Passport scotch, Henry McKenna bourbon, Jameson Irish whisky—Martin Kreston, group senior vp; Stephen Donenfield, vp-mgmt super; Stanley Burger, Charles Rollins, vp-acct supers.

William Esty Co., New York—White Horse scotch, Burnett's gin—Leonard Faupel, senior vp-mgmt super; Carlo Demetrio, vp-acct super; Patricia Oehler, acct exec.

Warwick Advertising, New York—Kessler whisky, Tuaca liqueur—John F. Welsh, vice-chairman; James Driscoll, senior vp-mgmt super; Joseph Friel Jr., vp-acct super; Howard Hersh, vp.

North Castle Partners, Greenwich, Conn.—new prod projects—Len Ferraguzzi, senior vp-acct director-mgmt super; Evelyn Coghlan, acct super; Mark Grayson, acct exec.

Mingo-Jones Advertising, New York—minority adv for Lord Calvert Canadian, Burnett's gin and Calvert Extra—Sam Chisholm, vp-mgmt super; Roger Green, acct super.

GENERAL WINE AND SPIRITS CO.

Marketing Personnel

Seymour L. Leikind, president
Gerald N. Friedman, exec vp-sales
Gil Schy, exec vp-mktg
Robert Vosswinkel, vp-admin
Mac Taub, Mark Taxel, vps-directors of mktg
Robert A. Watkins, vp, natl programing
Stephen LaScala, mktg budget mgr
Robert Dow, Arthur Kayser, natl sales promo mgrs
Robert Regulinski, mgr-mktg analysis
Robert L. Hinton, natl prod mgr, Nickolai vodka, Harwood Canadian
Anthony Moore, natl prod mgr, Eagle Rare bourbon, Lochan Ora liqueur
Richard Shaw, senior prod mgr, Chivas Regal scotch
Anthony Bongiovanni, senior prod mgr, Leroux cordials
John Hartrey, senior prod mgr, Ronrico rum
Marcia Clay, natl prod mgr, Royal Salute scotch, Boodles gin
Errol Holt, natl prod mgr, Mumm cognac, new prods
Ellice Matsil, natl prod mgr, new prods
Alexandra Perle, natl prod mgr, new prods

Advertising Agencies

Doyle Dane Bernbach, New York—Chivas Regal, Royal Salute, Ronrico rum, Lochan Ora liqueur—Martin Kreston, group senior vp; Mike Marshall, vp-mgmt super; Joe Trombino, Herb Jacobs, vp-acct supers; Ann Davies, acct exec.

William Esty Co., New York—Leroux cordials—Len Faupel, mgmt super; Carlo Demetrio, acct super; Robert Adams, acct exec.

Warwick Advertising, New York—Eagle Rare bourbon, Harwood Canadian, Vandermint, Sabra and Cheri-Suisse, Nikolai vodka and Boodles gin—John Driscoll, senior vp-mktg; Joseph Friel Jr., vp-acct super.

CHATEAU & ESTATE WINES CO.

New York

Marketing Personnel

Abdallah M. Simon, president
David S. Milligan, vp-sales
Charles K. Frankel, vp-admin
John W. Laird, vp-mktg
Maurice Lartigau, vp, metro N.Y.

Advertising Agency

William Esty Co., New York—Chateau Larose Trintaudon, Les Charmes white burgundy, Perrier-Jouet champagnes, Sandeman Armada Cream sherry—Leonard Faupel, mgmt super; Carlo Demetrio, acct super; Patricia Oehler, acct exec.

FROMM & SICHEL

San Francisco

Marketing Personnel

Mel Chernev, president
John Grady, vp-admin
Al Nirenstein, exec vp-mktg
Eric Kritz, prod mgr
Jim Farrell, sales promo mgr

Advertising Agency

Ketchum Advertising, San Francisco—Christian Brothers wines and brandies—Eugene Grealish, mgmt super.

THE SEAGRAM WINE CO.

Michael Cliff, president
Mary Cunningham, exec vp-planning
Sam Bronfman II, exec vp-sales
Jay Morris, exec vp-mktg
Frank McCarthy, senior vp, natl brands
Jay Gronlund, senior vp-project devel director
Robert O'Dowd, senior vp, distributor relations
Howard Kaufman, senior vp, specialty sales
Margaret Stern, senior vp-pr
George Scheppler, vp, fine wines
Jay Flynn, vp, Delta
Kevin MacDougall, prod mgr, Masson Light and Paul Masson everyday varietals
Louis Keyes, prod mgr, Paul Masson generics, Paul Masson carafes
Christine Carrington, prod mgr, Black Tower, Emerald Dry and Rhine Castle
Arthur Mehmel, prod mgr, Partager, Paul Masson champagne
Marcy Whitman, prod mgr, Gold Seal champagnes and varietals, Paul Masson classic varietals, Paul Masson estate bottling
John Agate, prod mgr, B&G, Mumm champagne
John Alpert, prod mgr, specialty brands.

Advertising Agencies

Doyle Dane Bernbach, New York—Paul Masson Vineyards, all brands—Martin Kreston, group senior vp; Charles Traynor, vp-mgmt super; Greg Argand, vp-acct super; Virginia Pirie, acct exec; Pat Willis, asst acct exec. B&G wines, Partager, Mumm champagnes, Nectarose—Martin Kreston—group senior vp; Charles Traynor, vp-mgmt super; Ardean Fishman, acct exec.

William Esty Co., New York—Gold Seal champagnes and wines, Henri Marchant champagne—Leonard Faupel, mgmt super; Carlo Demetrio, acct super; Robert Adams, acct exec. Black Tower—Stanley Joyce, Karen Tully, acct supers.

SUMMIT SALES CO.

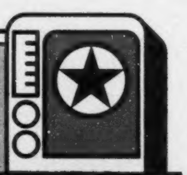
Marketing Personnel

Robert A. Monroe, president
Thomas M. Collins, vp-admin and planning
Thomas P. Cekay, natl sales mgr
Michael Ford, natl sales mgr
Robert C. Zukowski, operations mgr

Advertising Agency

Mingo-Jones Advertising Inc., New York—Cherry Kijafa—Sam Chisholm, vp-mgmt super; Roger Green, acct super.

TOP 25 Network radio advertisers



Rank	Advertiser	Expenditures 1982	Expenditures 1981
1	Jeffrey Martin Inc.	$32,837.2	$ 8,459.5
2	Sears, Roebuck & Co.	11,073.8	10,340.2
3	Campbell Soup Co.	9,738.7	4,280.4
4	Nabisco Brands	8,878.8	10,554.9
5	Dow Jones & Co.	7,970.8	5,611.9
6	General Motors Corp.	7,883.1	5,428.0
7	Cotter & Co.	7,460.8	4,992.9
8	AT&T Co.	7,319.3	7,299.5
9	General Foods Corp.	[illegible]	[illegible]
10	Warner-Lambert Co.	[illegible]	[illegible]
11	Ford Motor Co.	[illegible]	4,368.6
12	U.S. Government	6,440.5	7,293.9
13	Anheuser-Busch Cos.	6,326.9	3,825.1
14	Phillips Petroleum Co.	4,673.5	5,155.0
15	Hartz Mountain Industries	4,657.1	2,848.8
16	Schering-Plough Corp.	3,693.7	2,745.9
17	Chrysler Corp.	2,919.3	2,984.8
18	Dreyfus Corp.	2,910.7	2,064.8
19	PepsiCo Inc.	2,781.7	—
20	Geo. A. Hormel & Co.	2,555.9	—
21	Nestle Enterprises	2,225.0	2,135.9
22	J.C. Penney Co.	2,203.1	85.8
23	Greyhound Corp.	2,165.9	107.6
24	Sterling Drug	2,142.6	4,321.5
25	Canon U.S.A.	[illegible]	[illegible]

Source: Leading National Advertisers

Sears, Roebuck & Co.

	1982	1981
Sales........	$30,020,000,000	$27,357,000,000
Earnings.....	861,000,000	650,000,000
Advertising*..	631,514,000	544,104,500

*AA estimate

Sears, Roebuck & Co., Chicago, the nation's second largest advertiser, increased national ad spending 16% in 1982 to $631.5 million, as the nation's No. 1 retailer continued to strengthen its cornerstone, the merchandise group, while accelerating efforts to become a dominant consumer financial services company.

Operating revenue for the retail giant increased 9.7% to $30 billion, reflecting for the first time a full year's operating results of Coldwell Banker & Co. and Dean Witter Financial Services, which were acquired in 1981. Additionally, the Sears merchandise group and Allstate Insurance group had revenue increases.

The domestic merchandise group provided the lion's share of the take with a total of $18.78 billion, an increase of 3% from the previous year's $18.22 billion. Net income for the merchandise group was $456 million, up a healthy 29.5% from 1981's $352 million. Merchandising sales represent 62% of the company's total revenues.

Total ad spending for the merchandising group increased 6% to $719 million compared to 1981's $680 million. An estimated $30 million in catalog costs brought the merchandise group to about $749 million.

Included in the company's total ad spending is an estimated $236.7 million in newspaper advertising, down from $343.4 million spent during 1981. These figures are included in the unmeasured portion of Sears' total ad spending. An estimated $118.3 million of this also was spent on local rather than national advertising.

Last year the merchandise group made some significant changes and continued a successful revitalization effort. Sears pared back some unprofitable product lines, developed new apparel and hard good lines and began a series of agency changes that were carried further into 1983.

In addition, Sears continued laying the groundwork for its "store of the future" concept by testing new plans and designs in selected outlets. The retailer officially unveiled the first "store of the future" this July in King of Prussia, Pa., and four other stores will be constructed before the end of this year.

Sears' hardware line continues to dominate systemwide store sales by providing nearly 70% of the chain's yield. Strong players are Craftsman tools and auto batteries which control 70% and 40%, respectively, of those hardware markets.

Although Sears holds only a 3% market share in the apparel segment, it continues to do well with its own "signature" clothing lines. The Cheryl Tiegs line of women's sportwear and the Arnie Palmer group of men's sportwear are prospering. In 1982, the Tiegs line had sales of more than $200 million. In addition, the company introduced clothing bearing the name of tennis pro Evonne Goolagong. Sears continued securing brand name suppliers via an agreement with American Telephone & Telegraph that allowed the retailer to begin marketing Bell PhoneCenter outlets within its stores.

It was the first time AT&T used an outside distributor to sell its phones. Testing began in five Indianapolis, Ind., Sears stores and is currently being integrated into the other 851 units nationwide. In 1981, Sears began carrying more brand names, including Levi's apparel, products of Eastman Kodak Co. and Wilson Sporting Goods.

The company also started opening more freestanding specialty stores. In May it announced plans to speed up construction of business computer stores and added on an estimated 45 units to the five already in existence. Those stores service 17 new markets. The stores also carry brand names, including IBM, Vector and Saxon along with Sears computers. It has also started testing freestanding hardware and paint stores.

But Sears' biggest change is yet to come. For the past two years it has been testing, at four locations, a new retailing concept dubbed the "store of the future." Those stores have been reshaped to carry a totally new look and personality apart from the traditional Sears.

One of the new attractions is boutique settings for apparel and other soft goods within the main store. Additionally, appliances and other hard goods (such as tires) are displayed in warmer, room settings or in arrangements that are less formidable than before. Other changes: Ceilings have been lowered to decrease the warehouse look and feel; beige walls have been painted over with warmer, muted colors and harsh fluorescent lighting has been replaced with more indirect lighting.

The company will have a total of five "stores of the future" by the end of 1983 and is targeting massive changes over the next five years for most of the 851 units. As a direct result of this new concept Sears has made some ad agency changes designed to give it a more unified look and appeal, according to the company.

The merchandise group dismissed J. Walter Thompson and Foote, Cone & Belding in April, 1983, and split its estimated $130 million national advertising account between Ogilvy & Mather and Chicago-based Needham, Harper & Steers/USA. The change divided Sears' estimated 820 product lines into "hard" and "soft" goods. JWT lost the home improvement line and Foote, Cone & Belding lost the automotive/recreational line. O&M works on the hard lines of appliances, home entertainment, home improvement and auto/recreational. NH&S handles the soft goods, including home fashion and apparel.

Other agency shifts came in mid-1982 when Sears consolidated its $35 million apparel advertising business under NHS/USA thereby dismantling a triumverate that included Chicago's Foote, Cone & Belding, women's apparel; Stern Walter/Earle Ludgin, children's clothing and McCann-Erickson, men's apparel.

Also last year, it was determined that the number of local ads bought by individual stores would be tapered, and more color ads in local papers would be placed at the corporate level. The ratio is now roughly one national ad per week and one local ad, according to the company.

New tv advertising to support the merchandise lines is to break this fall, and all efforts will employ the new umbrella slogan, "There's more to your life at Sears." Ads will focus on goods and sales, but they will also begin selling the "new Sears," according to the company.

Additionally, Sears has commissioned NHS/USA to create an over-all "image" campaign for its merchandise group which could tally between $15 million and $40 million in ad spending. Those ads are also expected to appear in the fall.

Another hotbed for last year's marketing activities was the Sears financial service subsidiaries, designed to capitalize on the giant retailer's consumer base of 37 million households.

The retailer has incorporated financial service centers in nearly all its mall and major freestanding stores. These centers offer the services of Allstate Insurance, realtor Coldwell Banker & Co. and Dean Witter investments. As an added inducement, Sears is giving those who purchase a home via Coldwell Banker discounts of up to 25% on the purchase of appliances.

In 1981, Sears paid $607 million for Dean Witter, the nation's fifth largest brokerage house, and $179 million for Coldwell Banker. Dean Witter posted 1982 revenues of $1.4 billion and net income of $16.2 million. Measured spending was $3 million.

The Coldwell Banker Real Estate Group, which includes real estate, mortgage and development interests, contributed total revenues of $533.1 million, compared to 1981's $165.9 million. The difference was the inclusion in 1982 of Coldwell Banker & Co., Realtors to the Sears lineup of companies. It alone contributed $363.2 million of total revenues of the group whose net income, however, was $45.8 million compared to $86 million for 1981. The decrease was primarily the result of the recession and the stalled housing market, according to the company. The Allstate Insurance Group totaled $7.5 billion in sales in 1982, up 10%. Net income was $500 million last year, an increase of 19%. Sears spent an estimated $15 million in measured media for Allstate.

The company is attempting to play up the link between these services and Sears. Many consumers still are unaware that these financial entities are part of Sears, so the company has launched a tv campaign, using actor Hal Holbrook as spokesman. The spots explain what all three groups under the financial service umbrella offer. Foote, Cone & Belding, Chicago. handles. Ad spending for that effort will range between $15 million and $40 million.

Robert Reed

ADVERTISING EXPENDITURES

	1982	1981
Newspapers.......	$ —	$ 303,100
Magazines........	51,179,400	59,725,500
Farm publications..	257,100	—
Spot tv...........	17,529,400	13,871,000
Network tv........	102,563,800	88,002,000
Spot radio........	5,577,400	6,181,900
Network radio.....	11,073,800	10,340,200
Outdoor..........	5,100	50,000
Total Measured..	188,186,000	178,474,600
Unmeasured....	443,328,000	365,629,900
Estimated total..	631,514,000	544,104,500

SEARS, ROEBUCK & CO.

Marketing Personnel

Edward Brennan, chairman & ceo merch group.
Joseph Batogowski, senior exec vp-merch
Robert Wood II, vp-mktg
Ed Cameron, natl catalog merch mgr
Theodore Weldon, natl catalog merch mgr
Ralph Hoch, natl retail adv mgr

Advertising Agencies

Foote, Cone & Belding, Chicago—Sears Financial Network—Paul Vernon, group mgmt super; Lance Hecker, vp; Dottie Holic, acct exec.

Hispania Advertising, subsidiary of J. Walter Thompson USA, New York—Hispanic consumer market—Caroline Demy, genl mgr; Chris Loffler, mgr-Hispania, Chicago; Kathleen Nicolini, acct rep.

Ogilvy & Mather, Chicago—hard lines—Hank Bernhard, vice-chairman, O&M U.S.; Bill Whitney, senior vp-mgmt director; Jeff Woll, group mgmt super; Allan Mager, mgmt super.

Needham, Harper & Steers, Chicago—apparel, home fashion, merchandise group—Robert Levin, senior vp-group acct director. Apparel: Tom Hanft, mgmt rep; Walter Menzel, acct super, womenswear and menswear; Val Gleason, acct exec, womenswear; Jerry McCann, acct exec, menswear; Karen Wagenknecht, acct super, children's apparel; Nancy Bernstein, acct exec, children's apparel. Home fashion: Carole Black, acct super; Peggy Anderson, acct exec. Merchandise group: Karen Wagenknecht, acct super; Nancy Bernstein, acct exec.

Vince Cullers Advertising, Chicago—Black consumer adv.

Nellson-Woodward Inc., Chicago—Yellow Pages adv.

Stern Walters/Earle Ludgin Inc., Chicago—direct mktg.

N W Ayer, Chicago—Sears Business Systems Centers.

Norton Simon Inc.

	1982	1981
Sales	$2,994,276,000	$2,993,365,000*
Earnings	107,709,000	103,655,000
Advertising**	191,207,400	149,875,600

*Prior year sales have been restated to reflect discontinued operations.
**AA estimate.

Norton Simon Inc., New York, which became part of Esmark Inc. in a stock tender offer in June, 1983, was the 33rd largest advertiser in 1982 with ad expenditures of $191.2 million, an increase of 27.6% from the previous year.

NSI worldwide sales improved slightly to $2.9 billion and earnings increased 4% to $107.7 million, an increase generated by income from discontinued operations, a strong performance from NSI's food segment and an extraordinary gain from an exchange of a new issue of convertible preferred stock.

NSI suffered a 33% decline in profit from continuing operations, a decline not "entirely unexpected," says the company. In 1981, it predicted no turnaround in the economy and trouble in both domestic and foreign markets.

Norton Simon, a leading consumer goods producer in food, toiletries and liquor categories, pulled Chicago-based Esmark into a bidding war for the company earlier this year following purchase/stock offers to buy the company coming first from NSI chairman David J. Mahoney and later by Kohlberg Kravis Roberts & Co., a New York concern that specializes in arranging leveraged buy-outs. Esmark's winning tender was worth $973 million.

During the year, NSI's food segments experienced slight gains in sales, 0.2%, to $990 million and a slight earnings increase.

Hunt-Wesson, which dominates the division, had its most profitable year, taking advantage of a small tomato crop and relatively stable commodity prices.

It reported that market share gains were achieved by its "primary tomato-based food products"—the company spent $8.1 million in measured media spending on ketchup, tomato pastes and sauces compared with only $3.7 million in 1981.

Other strong performances noted by the company came in convenience foods, including Orville Redenbacher's Gourmet Popping Corn and Manwich sloppy joe sauce.

Hunt introduced a new Italian-style tomato paste, while Wesson Oil was packaged in a new easy grip bottle.

Wesson Oil, which received the food segments heaviest advertising support, got $9.6 million, a 30% increase from 1981 outlays in measured media. All spending was in network or spot tv, according to Leading National Advertisers.

The company gave one of its biggest boosts to expenditures for sunflower oil, Sunlite, from $3.4 million to $8.1 million.

Hunt's Manwich sloppy joe sauce received $6 million in measured ad support, up 40% from 1981 expenditures. Orville Redenbacher's gourmet popping corn received $6.5 million in measured media support, 20% more than the previous year.

The company's Avis unit continued to perform poorly. Earnings were off and the unit experienced a loss of $35 million.

The company attributed the loss to reduced rental volumes during the second half of the year, high interest rates and the over-all weakness of the economy.

The company also noted that airline traffic, which accounts for 75% of its domestic volume, has been on the decline for two years.

Avis looked to stabilize its management by choosing Joseph V. Vittoria to succeed Howard Miller as president. Mr. Vittoria, a 22-year veteran of the rent-a-car business, was also one of the principals in a suit filed by the company's archrival Hertz.

In the suit, Hertz charged Avis with unfair trade practices and said that former Hertz executives—including Mr. Vittoria—had taken confidential papers with them when they moved to Avis.

On the advertising front, Avis spent $17 million on two campaigns. The company's licensees conducted a $7 million campaign touting a premium promotion while Avis corporate continued to emphasize service through commercials and print ads featuring Mr. Mahoney.

NSI's cosmetics and fashion segments had its third consecutive year of sales and profit increases. Sales rose slightly from $617.6 million to $625.7 million while profits were up from $25.2 million to $27.5 million.

Only one product in the cosmetics division, Epris perfume, with $2.5 million in advertising, received than a six-figure support in measured media.

Max Factor & Co.'s U.S division continued its turnaround from its poor performance during the late 1970s. Halston Fragrances had its sixth consecutive year of record results. Max Factor put its marketing emphasis on its colorfast, waterproof, whipped creme products, Maxi products brands and two skin treatment products under the Skin Principle logo.

Halston premiered a comprehensive fashion collection for J.C. Penney Co. Penney is giving the line what the company called the biggest marketing effort in its history. Halston toiletry products received $2.4 million in measured media spending, up 33% from the previous year.

Somerset Importers Ltd., NSI's distilled spirits subsidiary, experienced an 0.4% drop in sales to $241.8 million and a 2% decline to $44.6 million in profits.

The company said its performance was a reflection of a slowdown in sales caused by inventory reductions made by retailers and wholesalers who were responding to high interest rates. The company enhanced its profitability by instituting price increases in 1982.

Somerset's Johnny Walker Black received $4.7 million in measured ad support, compared with $3.8 million in 1981, and Johnnie Walker Red got $6.6 million compared with $5.7 million the year before. Tanqueray London gin was backed with $3.9 million, an 11.4% increase.

Robert Raissman

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$9,031,500	$9,925,500
Magazines	26,742,300	21,486,000
Spot tv	14,826,600	9,013,300
Network tv	37,487,800	28,660,400
Spot radio	2,148,400	1,001,200
Network radio	724,400	1,055,500
Outdoor	3,006,300	2,510,100
Total measured	93,967,360	73,652,000
Unmeasured	97,240,100	76,223,600
Estimated total	191,207,400	149,875,600

NORTON SIMON INC.

Marketing Personnel

Joseph W. Daly, director-media

AVIS INC.

Marketing Personnel

John B. Carles, senior vp-worldwide mktg
Todd S. Middleton, vp-mktg-U.S. Rent A Car.
George E. Mead, director-adv
Julian Romeu, director-media services.
Lawrence D. Mazur, vp-mktg, car leasing.
William Dix, vp mktg-Europe/Africa/Middle East

Advertising Agency

McCaffrey & McCall, New York—U.S. Rent a car—Margaret G. Wasley, exec vp; Samuel Fertig, senior vp-mgmt super.

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FAKTA	monthly	Finland	68,000
FARMAND	weekly	Norway	172,000
INDUSTRIEMAGAZIN	monthly	Germany	184,000
MANAGEMENT TEAM	monthly	Netherlands	217,000
MANAGEMENT TODAY	monthly	U.K	142,000
MÅNEDS BØRSEN	monthly	Denmark	128,000
VECKANS AFFÄRER	weekly	Sweden	260,000
	Total Audience		1,945,000
PACIFIC			
INTERNATIONAL MANAGEMENT	monthly	multinational	274,000
AUSTRALIAN BUSINESS	alt. weeks	Australia	198,000
NIKKEI BUSINESS	alt. weeks	Japan	641,000
INTERNATIONAL INDUSTRIAL REPORT & Buyer's Guides	alt. months	China	750,000
	Total Audience		1,113,000
AFRICA/MIDDLE EAST			
INTERNATIONAL MANAGEMENT	monthly	multinational in English	255,000
ALAM AL IDARAH	monthly	in Arabic	336,000
	Total Audience		591,000
LATIN AMERICA			
INTERNATIONAL MANAGEMENT	monthly	multinational in Spanish	573,000
TOTAL NETWORK	Audience		4,222,000

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Tel: (312) 751 3716

San Francisco:
Gwen Braun (District Manager)
425 Battery Street
CA 94111
Tel: (415) 362-4600

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HUNT-WESSON FOODS

Marketing Personnel

Frederick B. Rentschler, president-ceo
Albert J. Crossor, exec vp
James F. Frawley, vp-consumer mktg
Robert E. Williams, vp-sales
David J. Hopwood, vp-food service sales and mktg
A.W. Desko, director-mktg rsch
Clifford A. Brennan, mktg director, tomato products
Dale Hardner, director-mkt devel
Robert D'Ornellas, mktg director oil products
James M. Myers, mktg director-convenience foods
James Blumberg, director-merch services

Advertising Agencies

Ketchum Advertising, San Francisco—Hunt's tomato sauce, Hunt's tomato paste, Hunt's tomato ketchup, Hunt's Prima Salsa spaghetti sauce, Hunt's Manwich sandwich sauce, Hunt's Meatloaf fixin's, Big John's Beans 'n' Fixin's, Orville Redenbacher's Gourmet Popping Corn, Orville Redenbacher's Gourmet Buttery Flavor Popping Oil, Orville Redenbacher's microwave popping corn, Wesson Buttery Flavor Oil, Wesson Oil, Snowdrift shortening—Robert Kroyer, mgmt super; Diane Snedaker, mgmt super (Wesson); Joseph Barrett, exec vp (new Hunt's prods).

Dailey & Associates, Los Angeles—Sunlite oil, Hunt's Reddi Whip—Steve Chabre, mgmt super. Hunts Snack Pack, Hunts All Natural barbecue sauce.

SOMERSET IMPORTERS LTD.

Marketing Personnel

John E. Heilmann, president-ceo
H.J. Wasiak, exec vp-chief operating officer
F.J. Cirona, exec vp-finance & admin
R.M. Mutter senior vp-sales
R.F. Vreeland, senior vp-director of mktg
V.S. Machi, vp-mktg and sales service
R.W. Slone, vp-group mktg director
E. Feldman, vp-group mktg director
R.J. Wonsik, vp-group mktg director
A.M. Friedman, vp-director of creative services
F.A. Muller, brand mgr
J. Pennacchio, brand mgr
J.S. Glover, brand mgr
A.J. Wagner, brand mgr
C.E. Albert, brand mgr
P.M. Cartolano, director of mktg and sales admin
Marilyn Hamburg, product mgr-wines
Paige Buffington, San Martin winery pr

Advertising Agencies

Smith/Greenland, New York—Johnnie Walker Red Label scotch, Johnnie Walker Black Label scotch, John Begg Blue Cap & Gold Cap scotch, Tanqueray gin, Pimm's Cup, Hine Cognac, Old Fitzgerald, W.L. Weller, Weller 107, Cabin Still and Rebel Yell bourbons, Crawford's scotch, Stitzel-Weller C. D. bourbon, gin, vodka—Murray Platte, exec vp-mgmt super; Henry Wenthen, senior vp-acct super; Robin Throne, acct exec.

Dancer Fitzgerald Sample, New York—Michael Donahue, senior vp-mgmt super, Joseph Scutero, acct super, Joanne Matejov, acct exec.

MAX FACTOR & CO

Marketing Personnel

Red Weiss, exec vp, worldwide mktg
Jane Lewis, senior vp-creative services
Carol Leslie, vp-creative director
Sid Mantel, exec vp-U.S. sales

Advertising Agency

Wells, Rich, Greene, New York—Max Factor & Co.—Bill McGivney, acct group head; Chris Tinkham, media group head; Phyllis Robinson, creative group head; Linda Baron, acct super.

HALSTON ENTERPRISES

Marketing Personnel

Michael Lichtenstein, managing director
Michael Pellegrino, vp-mktg

HALSTON FRAGRANCES/ORLANE

Marketing Personnel

Charles Brassard, president
Simone Hoffman, senior vp-mktg
Arnold E. Pachtinger, exec vp-sales
Jane D. Terker, vp-mktg
Paul Wilmot, senior vp-sales promo
Joseph R.Messina, vp-creative services

Advertising Agency

Benton & Bowles, Paris—Marie Christine Fouche, acct super.

McCALL PATTERN CO.

Marketing Personnel

Robert Hermann, senior vp
Judy Raymond, vp-adv and promo services
Richard Rogers, vp-genl merch mgr

SmithKline Beckman

	1982	1981*
Sales..........	$2,968,667,000	2,645,858,000
Earnings......	667,307,000	592,269,000
Advertising**..	89,486,600	89,265,000

*Restated
**AA estimate

SmithKline Beckman, a Philadelphia-based healthcare and high-technology company, is the 68th largest national advertiser in the U.S. Last year, the company spent an estimated $89.5 million on advertising, 0.2% more than the previous year.

Sales for the company in 1982 reached $2.969 billion, 12% more than in 1981. Earnings jumped 13% to $667.3 million. Financial figures for 1981 were restated to reflect the merger in March, 1982, with Beckman Instruments, which markets precision medical and industrial instruments.

Aside from the Beckman merger, the major moves occurred in the ethical drug area—drugs prescribed by doctors—with the introduction of Tagamet into Japan and the rollout in Argentina, West Germany and several other countries of Ridaura for the treatment of rheumatoid arthritis. Introduction of Ridaura into the U.S. is expected this year.

Tagamet remains the largest-selling drug in U.S. history. It accounted for more than half of the company's ethical drug sales in 1982 and more than a fourth of the company's revenues. Ethical drug sales reached $1.3 billion in 1982 with gastrointestinal sales, mostly credited to Tagamet, bringing in $857 million.

Recently, Tagamet's therapeutic attributes were given a further vote of confidence by the Food & Drug Administration when it approved the drug for "gastric ulcer disease" early this year. Tagamet had been used for treatment of duodenal ulcers, a malady that affects some 4 million Americans a year.

Gastric ulcers affect some 600,000 Americans a year. In Japan, however, the ratio is reversed, with gastric ulcers more prevalent than the duodenal variety.

High expectations associated with Tagamet's introduction in early 1982 into Japan were met. By December, 1982, it had become the leading gastrointestinal product in Japan, which delights corporate officials because they expect the Japanese pharmaceutical market to reach $20 billion in sales by 1990.

Not until recently has Tagamet been challenged in a substantial way in the U.S. That enviable position, however, has become vulnerable with the FDA approval earlier this year of the British drug Zantac.

Zantac, distributed by Glaxo, the U.S. unit of London-based Glaxo Holdings PLC, is Tagamet's first major U.S. competitor. Zantac has made a good showing against Tagamet in Italy and the U.K.

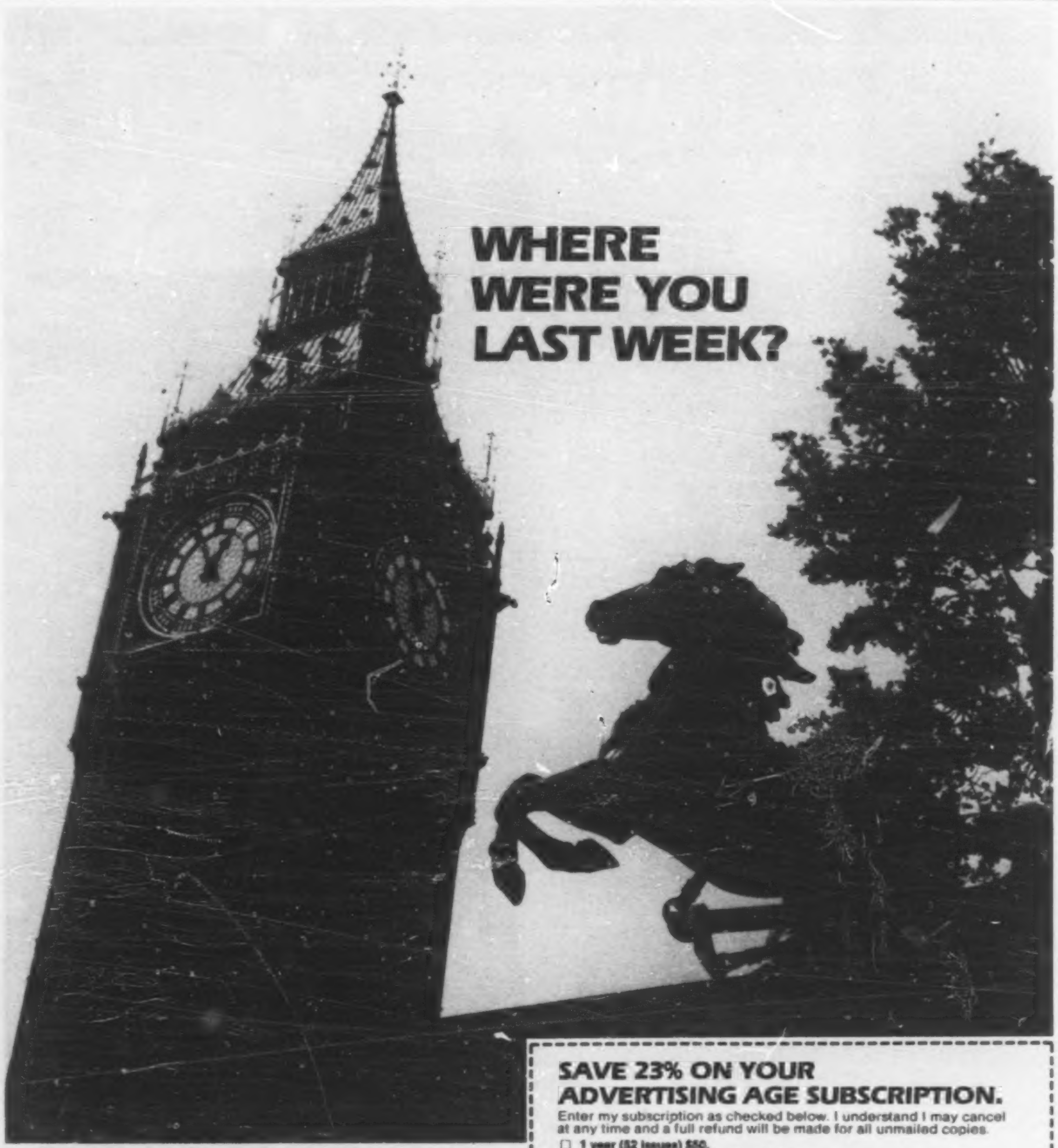
In the products area, under the Menley & James unit, sales were $169 million, off 9% from 1981's sales of $184 million. Causes for lower sales cited by the company included a weak economy, a mild winter and slower sales of appetite control products.

Menley & James' flagship brand, Contac cold capsules, slipped for the third year in a row in market share. According to A.C. Nielson Co. figures supplied by the company, dollar market share for Contac in 1982 was 13.6%, down from 13.9% in 1981, with unit shares down from 15.1% in 1981 to 14.4% in 1982.

Advertising spending for Contac, according to Leading National Advertiser figures, was down some 33%, from $11.1 million in 1981 to $7.5 million in 1982.

That decrease, however, says Victor Galef, vp-marketing for Menley & James, can be explained by a shift in strategy. Although ad spending for the main product was down, ad spending for a line extension, Contac Severe Cold Formula, went from $978,000 in 1981 to $5.9 million in 1982. "It was its second year and we decided to push it," says Mr. Galef. He adds that more money is being placed behind the line extensions because they are in the fastest-growing segments.

The big push, however, was for Ecotrin, a product that guards against aspirin's occasional stomach side effects. According to the company, consumers have responded strongly to the product and sales have more than doubled in the past two years. In 1982, there



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was a national launch of advertising—mostly tv—to support Ecotrin. The spots, via Ogilvy & Mather, use actor Eddie Albert ("Green Acres") as spokesperson.

This year, Mr. Galef says, the company is adding print to the mix. During 1982, ad spending for Ecotrin in creased fourfold, from $1.4 million to $6.6 million.

Plans for this fall include two new line extensions for the Contac brand—one a cough capsule, and the other, Contac Severe Cold Formula night-strength liquid. Contac Severe Cold Formula is to be positioned directly against Contac's No. 1 competitor, Richardson-Vicks' Nyquil, presently the top product in the cold remedy category.

Ad spending for another consumer product, Dietac diet aids, was cut some 65%, going from $12 million in 1981 to $4.2 million in 1982. In partial explanation, Mr. Galef says that there "was a noted pullback in ads" for Dietac, as the previous year had been the introductory year.

Sales in SmithKline Beckman's eye and skincare category were up 25% in 1982, going from $139 million in 1981 to $174 million last year.

Allergan, according to the company, is No. 1 in the U.S. opthalmic and contact lens accessory products market.

Within the Beckman portion of the business, sales of diagnostic/analytic products and clinical laboratory services increased 31% from $621 million in 1981 to $815 million in 1982, with the healthcare group leading the way for sales gains.

Yet Beckman's industrial side did not fare as well, reflecting the shakey world economy. Sales in this sector were off, from $340 million in 1981 to $323 million in 1982.

Reven Uihlein

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$182,500	$23,600
Magazines	2,500,300	5,813,500
Farm publications	654,900	969,500
Spot tv	3,512,700	4,816,100
Network tv	27,596,800	25,856,000
Spot radio	36,400	—
Network radio	—	1,386,800
Outdoor	3,000	—
Total measured	34,486,600	38,865,500
Unmeasured	55,000,000	50,400,000
Estimated total	89,486,600	89,265,000

SMITHKLINE
& FRENCH
LABORATORIES
Philadelphia
Marketing Personnel

Alan J. Dalby, exec vp-SmithKline Beckman Corp. and exec vp-therapeutics group
Thomas M. Collins, vp-SmithKline Beckman Corp. and president-Smith Kline & French Laboratories, U.S.
John Groom, vp-SmithKline Beckman Corp. and president-Smith Kline & French Laboratories-International
Harry C. Groome III, vp-mktg, U.S.
William S. Pilling, vp-mktg admin, U.S.
Joseph Rutledge, vp-customer affairs, U.S.
Robert Cook, vp-sales mgmt, U.S.
Charles P. Lowman, vp-mktg communication, U.S.
Alan Klawans, director of design, U.S.
A.L. Wright, director-adv and sales promo, U.S.
Joseph M. Weaver, vp-intl mktg and business devel

BECKMAN
INSTRUMENTS
Fullerton, Cal.
Marketing Personnel

Louis T. Rosso, president and exec vp-diagnostic/analytical group
Joseph Ashley, vp-healthcare group
Gerard J. Kirchner, vp-process instruments and controls group
George E. Walters, vp-electronic technologies group
Harold J. Peper, vp-analytical instruments, sales and service div
G.T. Keahl, vp-scientific instruments div
F. Meze, vp-Spinco div
T.E. Waller, vp-director, analytical instruments intl operations
Robert R. Crittendon, mgr-mktg communications

Advertising Agency

Cochrane Chase, Livingston & Co., Irvine, Cal.—Frank Addis, acct exec; Hugh Sutherland, mgmt super; Gary Cunningham, creative director.

MENLEY & JAMES
LABORATORIES
Philadelphia
Marketing Personnel

Richard E. Bagley, president-SmithKline consumer prods
Jorge Valls, vp-genl mgr, intl operations
William P. Howe, vp-new prods-director business planning strategy
Victor Galef, vp-mktg
Richard Novak, vp-sales

Advertising Agencies

Ogilvy & Mather, New York—Contac, Contac Jr., Sine-Off, A.R.M.-allergy relief medicine and Ecotrin—David Scott, creative director; Doug Bruce, mgmt super; Ben West, acct super.

Grey Advertising, New York—Teldrin, Dietac—Fred Millmann, mgmt super.

SMITHKLINE
ANIMAL
HEALTH PRODUCTS
Philadelphia

Norman Blanchard, president-Smith Kline animal health prods
Han van Veen, vp-intl prods div
Gerald Myers, director-sales, mktg intl prods div

Advertising Agency

Marketing Support Services, St. Joseph, Mo.—Kenneth Shearin, creative and mktg mgr.

NORDEN
LABORATORIES
Lincoln, Neb.
Marketing Personnel

John P. Wareham, president and vp-veterinary prods div
Daniel P. Hinnah, vp-mktg
Lyle Ashleford, adv mgr

Advertising Agency

Bozell & Jacobs, Omaha—Omer Dye and Wes Newhaus, acct execs.

ALLERGAN
PHARMACEUTICALS
Irvine, Cal.
Marketing Personnel

Gavin S. Herbert, president
William Shepherd, president-Allergan, U.S.
Richard Ulmer, senior vp-U.S. operations.
David Bruns, president-Allergan-intl

HUMPHREY INSTRUMENTS
San Leandro, Cal.
Marketing Personnel

M.J. Hansen, president
Keith Ignotz, vp-mktg
Nick Lurowist, mktg mgr

GEOMETRIC DATA
Wayne, Pa.
Marketing Personnel

George Bird, president
Paul Rust, vp-sales and mktg

SMITHKLINE CLINICAL
LABORATORIES
Philadelphia, Pa.
Marketing Personnel

James H. Cavanaugh, president-Clinical Laboratories businesses
Charles Taverna, vp-mktg and sales

BRANSON INTERNATIONAL
PLASMA CORP.
Hayward, Cal.
Marketing Personnel

Richard Taylor, president
Jack L. Mayfield, vp-mktg
Jan Colombetti, adv mgr

BRANSON SONIC
POWER CO.
Danbury, Conn.
Marketing Personnel

Albert Ziegler, president
Edward Samuels, genl mgr-mktg, North and South America
Mark Miller, adv and sales promo mgr

KRAUTKRAMER
BRANSON
Stratford, Conn.
Marketing Personnel

Robert Perrott, president

KRAUTKRAMER
BRANSON
Lewiston, Pa.
Marketing Personnel

Glenn Martin, director of operations, North America
James Sabol, indl mktg mgr
James Ebers, vp-genl mgr
Howard Hofferman, medical mktg mgr

BRANSON CLEANING
EQUIPMENT CO.
Shelton, Conn.
Marketing Personnel

Robert Geckle, president
Thomas Thill, mktg communications mgr

Advertising Agency

Adams Rickard & Mason, Glastonbury, Conn.—Al Mason, acct super.

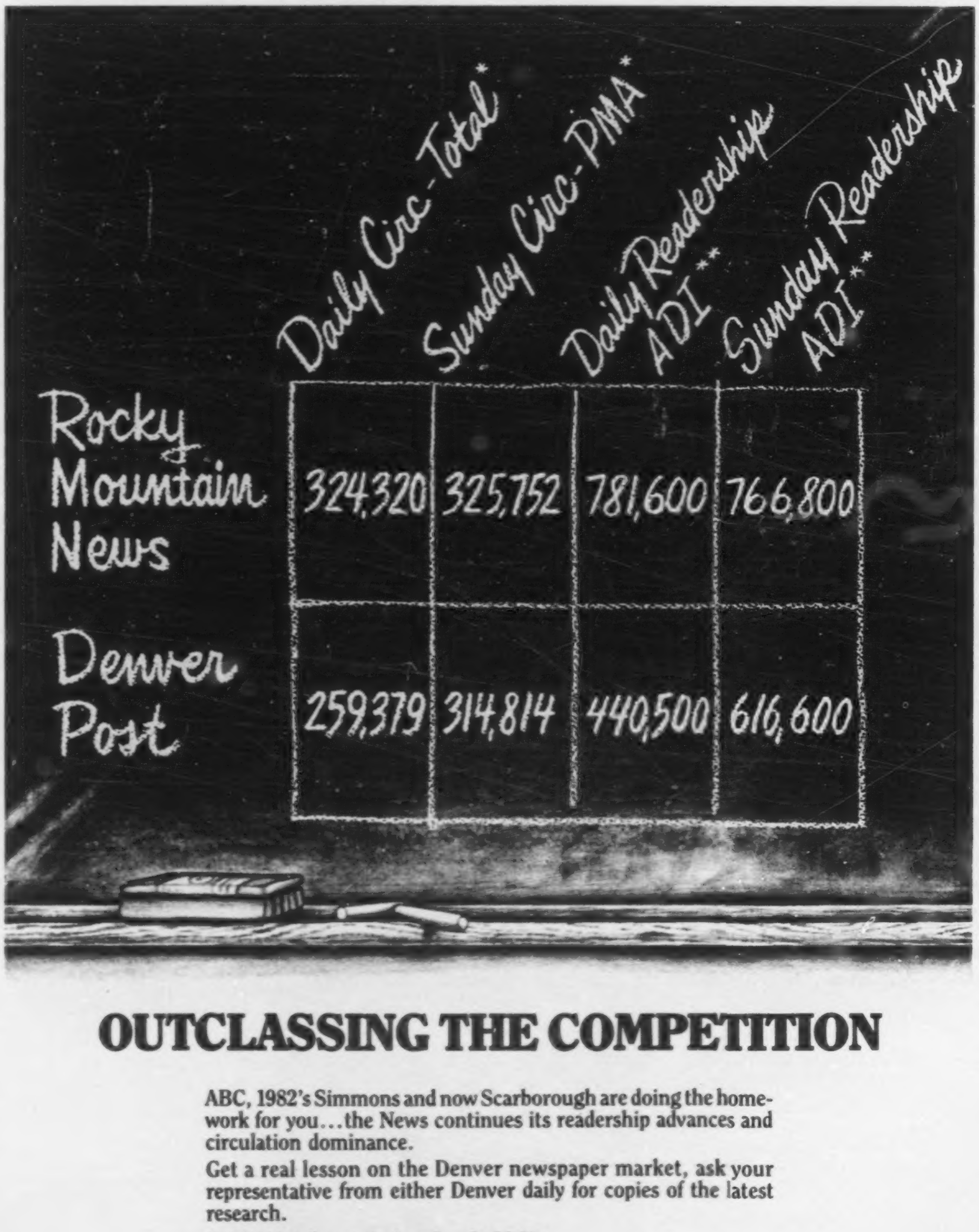
Sterling Drug

	1982	1981
Sales	$1,796,153,000	$1,791,458,000
Earnings	131,970,000	129,511,000
Advertising*	140,149,500	124,181,100**

*AA estimate
**Restated

Sterling Drug, New York, the nation's 46th largest advertiser, spent an estimated $140.1 million on U.S. advertising in 1982, a 12.9% increase from the $124.2 million in 1981.

Worldwide sales in 1982 totaled almost $1.8 billion, essentially the same as 1981's sales. Net income was $132



	Daily Circ-Total*	Sunday Circ-PMA*	Daily Readership ADI**	Sunday Readership ADI**
Rocky Mountain News	324,320	325,752	781,600	766,800
Denver Post	259,379	314,814	440,500	616,600

OUTCLASSING THE COMPETITION

ABC, 1982's Simmons and now Scarborough are doing the homework for you...the News continues its readership advances and circulation dominance.

Get a real lesson on the Denver newspaper market, ask your representative from either Denver daily for copies of the latest research.

*ABC Publisher's Statement for six months ending 3/31/83
**Simmons 1982 National Study of Local Newspaper Ratings

Denver's Extraordinary Morning Newspaper
Rocky Mountain News
A Scripps-Howard Newspaper. Represented nationally by Story & Kelly-Smith, Inc.
ATLANTA • NEW YORK • BOSTON • SAN FRANCISCO • CHICAGO • DALLAS • LOS ANGELES • PHILADELPHIA • DETROIT

million, a 2% increase over 1981's figure. An accounting change caused the restatement of both sales and income for 1981.

U.S. sales increased last year by 5%, from $1.03 billion to $1.09 billion. The per cent of sales derived from abroad has been steadily declining since 1980, from 47% that year to 45% in 1981 and 42% in 1982.

In the first quarter of 1983 Sterling's sales increased 7% to $442 million, from $415 million in the first quarter of 1982. Net income during that period declined by 7%, from $30 million to $28 million.

During the quarter there was a 16% increase in domestic sales, but a 6% decrease in foreign sales. W. Clarke Wescoe, chairman-ceo of the company, said new product sales and a turnaround in economic conditions in several European countries should allow Sterling's sales for the full year to improve over 1982.

Domestically, Sterling operates within five business segments: Proprietary products, household products, pharmaceutical specialties, chemicals and other products and environmental control.

Sales for proprietary products rose 4% in 1982, from $222.6 million to $230.9 million. Operating profits declined 9% to $37.7 million from 1981's $41.3 million. Glenbrook Laboratories is the marketing unit responsible for the major portion of business in the proprietary segment. Also included are the results of the consumer products division of Winthrop Laboratories.

Early this year Glenbrook introduced Panadol, a nonaspirin pain reliever, which has been sold overseas for 25 years. This is Glenbrook's second foray into the competitive nonaspirin field. Industry sources place Panadol's ad and promotional budget at $100 million. Panadol was introduced six months after the Tylenol tamperings. Bayer's advertising following the tragedies focused on the fact that the drug has been in tamperproof bottles for more than 25 years.

In addition to its advertising stance, Glenbrook is aggressively expanding the Bayer product line. Last summer the division rolled national with a micro-thin coating, for easier swallowing.

Early this year the company introduced Maximum Strength Bayer, and Arthritis Bayer timed-release aspirin was relaunched.

However, advertising for Bayer tablets declined by 24%, from $21.0 million in 1981 to $16 million last year. And advertising for Bayer aspirin for children fell 49% as the controversy over the link between aspirin and Reye's Syndrome, a disease usually affecting young children, persists.

In October, Stridex acne products and Medi-Quik first-aid spray were transferred from the Lehn & Fink group to Glenbrook. Ad spending for Stridex medicated pads increased by 105%, from $972,000 to $2 million.

While sales of Winthrop Laboratories' Neo-Synephrine were down, affected by a mild winter, ad expenditures grew to $5.1 million from $2.7 million for the 12-hour nasal spray.

Lehn & Fink Products accounts for nearly all the company's domestic business in the household and personal products segment. Sales in this division rose 8% to $423 million from $392 million in 1981.

Lysol received word from the Federal Trade Commission in March that it had lifted its flat ban on "helps prevent colds" for household disinfectant; that claim was dropped in 1974 following an FTC order. The product had a 16% increase in advertising, from $8.7 million to $10.1 million.

Lysol Pine Action cleaner rolled out nationally early this year; in 1982 it received $114,000 in ad money, all in spot tv while in test markets.

Also rolling national at that time was Pretty as a Picture decorative room air freshener. The brand received $1.8 million in advertising in 1982, the bulk in spot tv.

Sales for the pharmaceutical specialties unit rose $206 million in 1981 to $230 million. Operating profits shot up 46% to $38 million from $26 million. In new products, the division introduced Talacen, a pain reliever for mild to moderate pain. Early this year Talwin was reformulated to prevent misuse by drug addicts. Food & Drug Administration approval was given at the end of 1981 for the intravenous form of Inocor, a medicine for the treatment of congestive heart failure. The company is awaiting approval of the oral dosage of the drug.

Abbe Wichman

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$498,800	$882,800
Magazines	8,191,200	12,361,700
Spot tv	15,941,700	9,027,600
Network tv	66,383,700	55,410,700
Spot radio	235,900	754,200
Network radio	2,142,600	4,321,500
Outdoor	39,100	28,900
Total measured	93,433,000	82,787,400
Total unmeasured	46,716,500	41,393,700
Estimated total	140,149,500	124,181,100*

*Restated

GLENBROOK LABORATORIES DIVISION

Marketing Personnel

Gerald P. Mattimore, vp-mktg director
J.C. Marshall, mkt rsch director
M. Guarini, group prod mgr
A. Kelly, group prod mgr
R. Perlman, group prod mgr
H.J. Muessen, prod mgr, Bayer aspirin, maximum strength
M. Darlak, prod mgr, Arthritis Bayer, Bayer children's line
N. Nix, prod mgr, Panadol
K. Ridgeway, prod mgr, Midol, Vanquish
B. Seiden, prod mgr, Phillip's line
S. Johnson, prod mgr. LoSal, Diaparene line
E. Redden, prod mgr, Stridex, Fletcher's
P. Kalikstein, director, new prods
K. Messer, new prods
A. Kidder, new prods

Advertising Agencies

SSC&B, New York—Bayer line, Panadol—Spencer Plavoukos, acct super.

Thompson-Koch Co., New York—Midol—Richard Hartman, acct super.

Cunningham & Walsh, New York—Phillips' line—Jim Polizzi, mgmt super; Hank Malfa, exec vp.

Warwick Advertising, New York—Stridex—Wilder D. Baker, president-mgmt super; Bradford Moses, vp-acct super; Alan Goldberg, acct exec.

N W Ayer, New York—Diaparene line, Lo-Sal antacid—Stan Mattison, exec acct director; Ken McCarren, mgmt super; Bob Schultz, acct super.

Font & Vaamonde (Spanish), New York—Bayer line, Phillips' line, Panadol—Pedro Font, president.

Dugan/Farley Communications Associates, Montvale, N.J.—medical communications—John P. Dugan, president.

LEHN & FINK PRODUCTS GROUPS

Marketing Personnel

Earle K. Borman, senior vp

Personal Products division

Herb Waller, president
Peter Stearns, vp-mktg
Dean Reeves, natl sales mgr

Parfums Givenchy division

David Chinn Jr., exec vp and genl mgr
Annikki Karkkainen, vp-sales

Consumer Products division

Frank E. Rumpeltin Jr., president
Leonard Suskin, vp-mktg
Joseph Healy, director of mktg
F.M. Fox, vp-sales

Industrial Products division

S. Ray Mitchell, president
Stephen D. Hinden, director of mktg
Herbert W. Dorfman, director-education and sales services

Minwax Co.

Donald H. Henderson, president
Peter Black, exec vp
Ridgely W. Harrison III, vp-sales, Minwax
Paul R. Righter, vp-construction prods div

d-Con Co.

Earle K. Borman, president
John J. McFadden, vp-sales director
John Harwood, new prods director
William Hogate, director of new prods
Craig Karasin, prod mgr-insecticides
Marvin Matises, director-mktg
John Caputo, prod line mgr, rodenticides
Semo Sennas, senior prod mgr, insecticides

Advertising Agencies

SSC&B, New York—Lysol prods, Love My Carpet, Beacon Wax, Mop & Glo, Wet Ones—George Guimaraes, exec vp; R. Wadsworth, senior vp-mgmt super; Cynthia Williams, vp-acct super; David Sparks, vp-acct super.

Geers Gross, New York—Tussy, Ogilvie, Dorothy Gray—Don Kurtz, deputy chairman; Dick Tarlow, deputy chairman; Chris Hanson, senior vp-mgmt super; Joseph Pascale, vp-acct super; Nancy Gerber, acct exec.

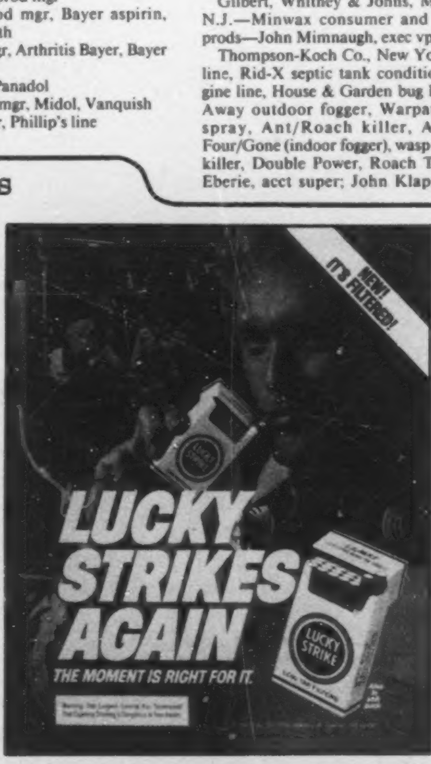
Levine, Huntley, Schmidt & Beaver, New York—Parfums Givenchy—Leslie Marshall, acct super.

Gilbert, Whitney & Johns, Morristown, N.J.—Minwax consumer and industrial prods—John Mimnaugh, exec vp.

Thompson-Koch Co., New York—d-Con line, Rid-X septic tank conditioner, Energine line, House & Garden bug killer, Stay-Away outdoor fogger, Warpath powder spray, Ant/Roach killer, Ant-Prufe, Four/Gone (indoor fogger), wasp and hornet killer, Double Power, Roach Traps—E.J. Eberie, acct super; John Klapmuts, acct exec; Joshua Martin, acct exec.

Lucky Strike Low Tar Filters

American Brands
National introduction: October, 1982
Agency: Laurance, Charles & Free, New York



Avrett, Free & Ginsberg, New York—Pine Action—Barbara Hill, acct super; Jack Avrett, president.

N W Ayer, New York—Pretty As A Picture—Stan Mattison, senior vp; Ken McCarren, vp-mgmt super; Bob Schultz, vp-acct super; Jeff Tarren, acct exec.

BREON LABORATORIES

Marketing Personnel

Herbert E. Smith, vp-director of sales
Joyce Hecht, prod mgr
Michael P. Trepicchio, director of mktg
Maryann McKenzie, prod mgr

Advertising Agency

Frank J. Corbett Inc., Chicago—all ethical products—F.J. Corbett, mgmt super; John M. Alderman, acct super; Rolf W. Rosenthal, special assignment.

WINTHROP LABORATORIES

New York

Marketing Personnel

Joseph Scarlata, president
Karl A. Brautigam Jr., vp-genl mgr, consumer prods div
Martin M. Coyne, director-mktg
James Alberts, vp-director of mktg, consumer prods div

Advertising Agencies

Lavey/Wolff/Swift, New York—Neg-Gram, Danocrine, Demerol, pHisoHex, Hypaque, Telepaque, Bilopaque, Amipaque—Charles Rockefeller, senior vp.

Robert A. Becker, New York—Talacen, Talwin NX, Talwin Injection—Norbert Lampert, vp-acct super; Edward Maitland, exec vp.

Cunningham & Walsh, New York—Neo-Synephrine prods, pHisoDerm prods—L. Halaka, acct super; K. Day, acct exec; K. Mendell, acct exec.

Thompson-Koch Co., New York—Campho-Phenique—Richard Hartman, vp-acct super; Tino Alimo, acct exec.

WINTHROP VETERINARY

Marketing Personnel

Harold H. Torkelson, director-sales mktg
H. Dwight Koger, mkt planning director

Advertising Agency

Sawyer Advertising, Gainesville, Ga.—veterinary pharmaceuticals and disinfectants—Louis Sawyer, acct exec; Richard Riley, acct super.

STERWIN LABORATORIES

Marketing Personnel

Howard Griffin, vp-mktg

Advertising Agency

Sawyer Advertising, Gainesville, Ga.—Poultry biologics, other animal health prods—Louis Sawyer, acct exec; Richard Riley, acct super.

COOK-WAITE LABORATORIES

Marketing Personnel

Howard Mosesson, president
Edward West, field sales mgr
W. McKinney Dean, Jr., D.D.S., vp-dental director
Theodore Rozza, director of mkt planning
Robert C. Kibele, vp-genl mgr, Greene Dental prods, San Fernando, Cal. (C-W subsidiary).

Advertising Agency

Rolf Werner Rosenthal, New York—Periograf, Alveograf, Carbocaine, Carbocaine with Neo-Cobefin, other local anesthetic solutions, Carpule aspirator syringe, Greene Trans-View and Darc-View X-ray film mounts, Greene filmholders, record cards—Robert P. Smith, vp-acct group super; Fran Scheinberg, acct exec; Pearl Weinstock, vp-acct group super.

Stroh Brewery Co.

	1982*	1981*
Sales	$1,318,000,000	$499,000,000
Earnings	1,228,000	5,602,000
Advertising**	55,548,000	16,195,900

*Fiscal years ended March 31, 1983 and 1982
**AA estimate of calendar 1982 and 1981

Stroh Brewery Co., Detroit, the 90th largest national advertiser, entered the ranks of leading advertisers by acquiring Schlitz in the spring of 1982. Even though Stroh drastically cut Schlitz advertising, the over-all Stroh ad spending figure jumped to $55.6 million, an increase of 243% from the previous year.

Closely held Stroh had sales of $499 million, not including excise tax, for the fiscal year ended March 31, 1982, but in buying the declining Jos. Schlitz Brewing Co. in a carefully planned takeover scheme, it added about $494 million more to revenues.

Half a year before the Schlitz fight began in earnest, Peter Stroh, then president of his family-owned brewery, had termed the possibility of Stroh taking over Schlitz as "ludicrous." No one was laughing at Schlitz when the deal was concluded in May, 1982.

Schlitz beer sales continued to decline through 1982, according to Stroh execs. The flagship brand probably pulled down over-all Schlitz barrelage from the 1981 level of 14.3 million. Over-all barrelage for the company was 22.9 million bbls. sold during the fiscal year. Other Stroh beer brand shipments remained flat through 1982 at somewhere over 9 million bbls. After the acquisition, Stroh had a 13% market share and had become leader of the second-tier brewers, trailing by a large margin the dominating Anheuser-Busch Inc. and Miller Brewing Co.

Once it had control of Schlitz, Stroh moved quickly to install its own marketing style on the larger brewery. The suddenly sizable market share Stroh controlled gave it more clout with media and agencies.

In the summer of 1983, after the dust from several agency and executive shifts began to settle, Stroh dug in for a fight for better play on network tv. With an announced 1983 spending level of up to $60 million in network tv alone, the brewery went to the networks to demand time on big sports events that often went to A-B and Miller in exclusive packages.

To help in the fight, Stroh hired electronic media whiz David C. Martin from Campbell-Ewald, a Detroit-area ad agency. In his new position as director of corporate media and executive vp of Stroh Media Services, an in-house agency, Mr. Martin pledged to move more Stroh dollars into cable and other network tv alternatives even as he worked to get more network sports time.

When Stroh first got control of Schlitz, it set about selling Schlitz' Geyser Peak Winery for about $30 million. Stroh also put one of Schlitz' southeastern breweries on the block as required by the Justice Department when it approved the merger. The sale of those properties plus a large cash reserve at Schlitz helped pay off a sizable chunk of the debt Stroh incurred when it bought the bigger brewer.

The property sell-off was the least radical of the changes that took place at Schlitz. As expected, most of the top Schlitz officers left the company, including chairman Daniel McKeithan and ad-famous vice-chairman, president and ceo Frank Sellinger. More middle-level management departures occurred when Stroh moved Schlitz headquarters from Milwaukee to Detroit.

Even as it moved to change the Schlitz corporate structure and marketing attack, Stroh revamped its East Coast subsidiary, Schaefer. Stroh marketers aimed the New York-based brew at a younger audience in an attempt to rebuild the declining brand. The Schaefer ads from MCA Advertising, which broke in late summer of 1982, used a blind taste test angle with the theme, "Today's Schaefer is better than ever."

A slew of agency shifts began around the same time when J. Walter Thompson, Chicago, walked away from the Schlitz account. Stroh had rejected a new Schlitz campaign that was to run under the banner of "Gusto is here." JWT said it did not wish to participate in an agency review for the account that Stroh had initiated.

The Schlitz and Schlitz Light brands went without any real advertising for more than half a year as Stroh concentrated on capitalizing on stronger brands, including Old Milwaukee and Schlitz Malt Liquor. Schlitz brands got regional and spot advertising only as a tie-in to rock concert promotions.

MCA Advertising won the Schlitz account, worth much less than the $20 million-a-year spent on the brand prior to the acquisition.

Schlitz ads finally broke in late spring, 1983. The beer was aimed at young blue collar drinkers with the theme, "Go for it America, you've got the gusto now." The brand also got new, brighter packaging for the "relaunch," as Stroh executives called the new marketing.

During the unsettled state of the company immediately following the Schlitz acquisition, the company took the opportunity to switch agencies for the flagship brand, Stroh's. Doyle Dane Bernbach had created a popular, humorous approach for the regional brand. Ads had a light touch, unusual in premium beer marketing, turning around the theme, "From one beer lover to another."

Stroh retained the theme but let DDB go as it switched Stroh's to Marschalk Co. in late summer, 1982. Marschalk had gained the Stroh Light account from DDB a couple of years earlier after the latter botched Stroh Light's introduction.

New ads from Marschalk broke six months after the switch, using a quieter humor than some of the DDB efforts. Stroh was also testing a nonhumorous approach for Stroh's that it had first developed for radio—where humorous advertising for beer is less effective.

Stroh kept moving the Stroh's brand into new markets as it tried to take the brand national. Entry into the Southeast was followed by rollouts in Louisiana, Texas and the New England states in early spring of this year. Other brewers, including Adolph Coors Co. and Heileman Brewing Co., were gearing up for a beer war in the Southeast. Stroh executives said they would use Schaefer and Goebels as cut-rate brands to stave off any price-slashing tactics competitors might use.

While marketers were shaking up Stroh's and Schlitz advertising, they put more effort behind the growing Old Milwaukee and Old Milwaukee Light low-price beer and Schlitz Malt Liquor brands. Though a national brand, Old Milwaukee had received mostly regional ad support while under Schlitz. Stroh execs put it on network tv. Old Milwaukee's agency, BBDO, New York, was also named in the fall of 1982 by Stroh as the net tv buyer for all brands.

Stroh kept Benton & Bowles, New York, as agency for segment-leader Schlitz Malt Liquor. The malt liquor kept the battle-of-the-bands series of commercials with the crashing bull coming in as a punch line. Spending on the brand was scheduled to increase by 35% during 1983.

As it allowed marketing on Erlanger brand—Schlitz' ill-fated attempt to enter the superpremium market—to lapse, Stroh began rolling out its own superpremium, Stroh Signature. Tested initially in Stroh's home market of Detroit and parts of Michigan, Signature was pushed into Chicago and other markets in the fall of 1982.

Theme for the beer from agency MCA was "Stroh Signature is something extra." Stroh attempted to pick a niche in the superpremium market by aiming the brew at the "independent thinker who is more inclined to go out on his own and do his own thing," said John Bissell, group vp-marketing.

While over-all advertising at Stroh increased during 1982, measured advertising for Schlitz brand beer dropped drastically during the year to about $7 million from more than $17 million the previous year. Stroh controlled spending on the various Schlitz brands for only about half of the year. Schlitz Light got better treatment, as ad spending creeped up to more than $3 million. Old Milwaukee climbed to about $11 million from just under $8 million in 1981. Schlitz Malt Liquor increased slightly during 1982 to around $6 million ad spending from $4.6 million. Erlanger got almost no ad support during the year. Schlitz had spent around $3.3 million on it the year before.

The Stroh's brand measured ad spending remained about level at $9.6 million while Stroh Light climbed to $5.2 million from around $2 million. Stroh Signature got around $2 million in ad spending, concentrated in Michigan. Goebel, a regional low-price brand, got about $500,000 in ad spending. Schaefer brand dropped to $1.8 million from $3.8 million as it waited for its new campaign to get under way through much of 1982.

In minor agency action, Stroh switched agencies for Piels beer from MCA to Wyse Advertising in Cleveland, which also handles Goebel. Spending on Piels during the year had been negligible. Stroh also retained the old Schlitz corporate ad agency, L.H. Howe of Lake Forest, Ill., to handle Stroh Brewery Co. corporate ads.

Jay McCormick

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$412,400	$113,090
Magazines	551,400	166,100
Spot tv	20,735,900	8,838,500
Network tv	9,403,900	6,465,300
Spot radio	12,667,400	101,000
Network radio	20,000	—
Outdoor	1,757,800	512,000
Total measured	45,548,800	16,195,900
Unmeasured	10,000,000	—
Estimated Total	55,548,800	16,195,900

Marketing Personnel

John Bissell, group vp-mktg
David C. Martin, exec vp, Stroh media services and director corp media
Hunter Hastings, vp-prod mgmt
Charles Hardin, group mktg director
John Hellweg, vp-sales promo
Ray Gross, dir mktg rsch and planning
Charles Powell, Old Milwaukee and Old Milwaukee Light prod mgr
Michael Jaeger, Schlitz and Schlitz Light prod mgr
Wayne Sindelar, Schlitz Malt Liquor prod mgr
Marsha Atwater, Signature, Stroh Light and Erlanger prod mgr
Peter Farner, Stroh's prod mgr.
Edward Kopecky, Schaefer prod mgr
Ray Kowalski, Piels and Goebel prod mgr

Advertising Agencies

BBDO—Old Milwaukee and Old Milwaukee Light—John A. Dunning, senior mgmt rep; Arnold Ross, mgmt super; William Sawyer, acct super.

Benton & Bowles—Schlitz Malt Liquor—Ron Campbell, vp-acct super; Barry Webster, mgmt super; Mark Bateman, acct exec.

MCA Advertising—Schlitz, Schlitz Light, Stroh Signature, Schaefer—George Hoefer, exec vp-mgmt rep; Richard Sellers, senior vp-group acct dir; Chuck Curry, vp-acct dir.

Marschalk Co.—Stroh's, Stroh Light—Stroh's: Frank Mangen, mgmt service dir; Paul Norwich, acct super; Rob Petersen, acct exec; Stroh Light: Don Richards, mgmt service director; Richard Salmanowitz, acct super; Greg DiLorenzo, acct exec.

Wyse Advertising—Goebel and Piels.

Time Inc.

	1982	1981
Sales	$3,564,000,000	$3,296,000,000
Earnings	153,115,000	148,821,000
Advertising*	130,124,000	141,133,000

*AA estimate

Time Inc., New York, the 49th largest national advertiser, decreased its advertising expenditures in 1982 by 8% from 1981 to $130.1 million, excluding the *pro rata* costs of advertising within its own magazines.

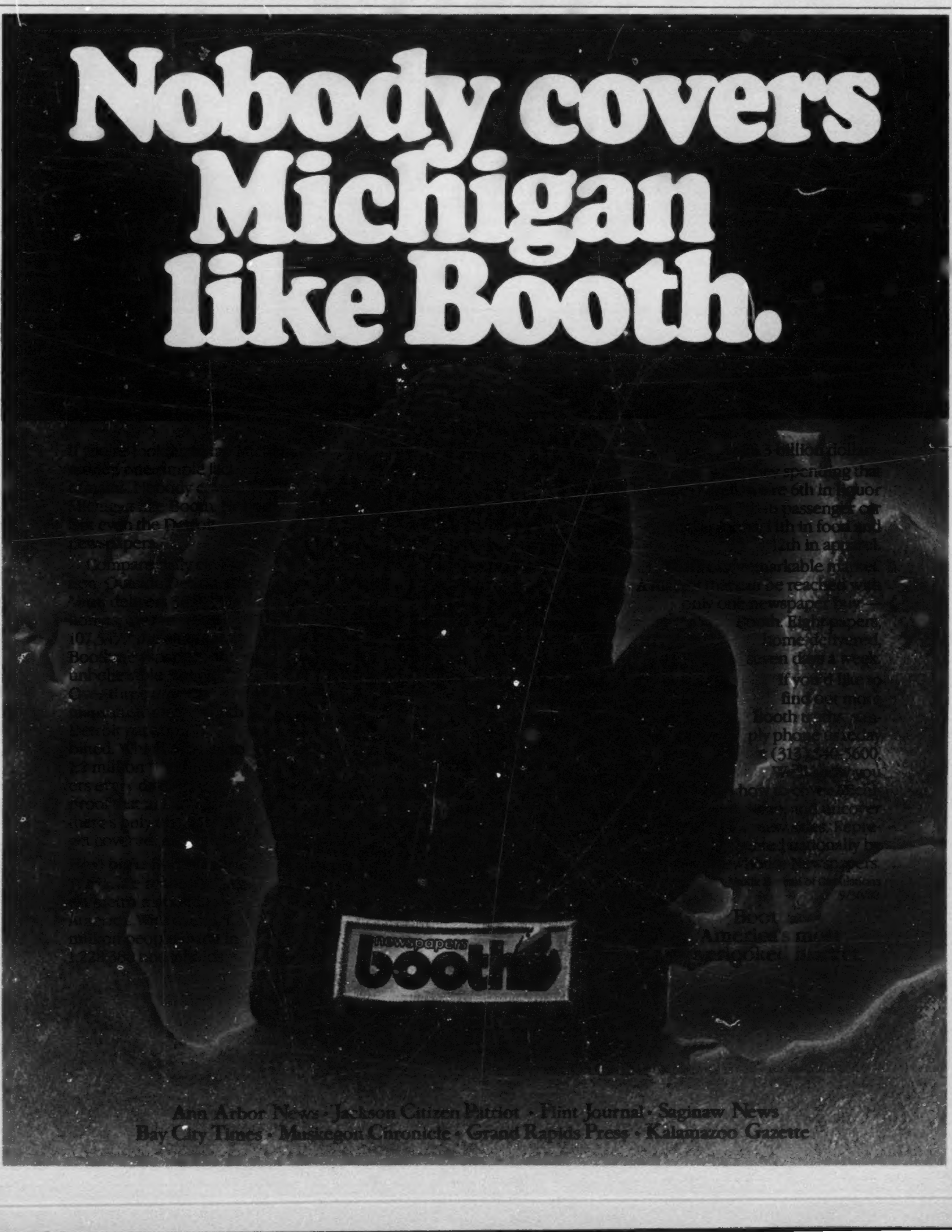
In 1982, Time Inc. had revenues of $3.56 billion, an increase of 8% from the year before, while net earnings totaled $153.1 million, up 3%. For the first quarter of 1983, that trend continued, as net income rose 4.3% to $46.2 million and revenues were up 31% to $249.6 million.

The company spent $94.3 million in measured media last year, a 3% increase over 1981, with spot tv displacing magazines as the No. 1 advertising medium in 1982. Time Inc. spent $30.3 million in spot tv, $30.2 million in magazines and $20.2 million in newspapers.

Network tv received $10.8 million in advertising expenditures from the company, with spot radio collecting $2.3 million, outdoor $317,900 and network radio $123,500.

A significant change in the company's structure was announced in May, one that should have a widespread impact on Time Inc.'s bottom line in the years to come. The diversified company, with interests in magazines, cable, video operations, book publishing, forest products and paper operations, announced at its annual meeting this year that it was spinning off its forest-products companies, which last year had a pre-tax drop in operating profit to $55 million from $107 million. Forest products accounted for $1.1 billion, or 32% of the company's 1982 sales.

The move was not a totally unexpected one, as the forest-products business has been victimized by a depressed economy over the past few years. J. Richard Munro, chairman of Time Inc., acknowledged to shareholders that the company has been thinking for some time of divesting itself of the forest-products division, but explained that it "would have been stupid" to try to make a sale during the recent tough years. He said, however, that the company now is showing signs of rebounding and that the plan to spin


Nobody covers Michigan like Booth.
newspapers
booth
Ann Arbor News · Jackson Citizen Patriot · Flint Journal · Saginaw News
Bay City Times · Muskegon Chronicle · Grand Rapids Press · Kalamazoo Gazette

100

it off to shareholders should be successful.

While the divestiture of the forest-products division will have a significant effect on the company itself, it should have little impact on its over-all advertising expenditures. Last year, Time Inc. spent $5,400 on its Temple-Eastex subsidiary, all of it on outdoor.

The decision to break off the forest-products division was prompted by a growing realization within the company that its expanding media activities needed a greater cash infusion than was manageable within the current confines of Time Inc.'s operations. "We never envisaged how cash-hungry our video operations would be," Mr. Munro explained earlier this year.

Indeed, video has been a booming—but expensive—business for Time Inc. in recent years.

Its cable system, American Television and Communications, is the largest in the country, with systems in nearly 450 cities in 33 states. Home Box Office, the pay-tv service, is also the largest in the country, and with its sister service, Cinemax, has more than 60% of the nation's pay-cable movie-service subscribers. (Company executives say that the number of HBO subscribers, now at 12 million, is increasing 25% a year, a figure that may explain why HBO is willing to spend an estimated $250 million this year on buying motion pictures.) Time Inc. also is developing an ambitious teletext service.

These advances have had their rewards. Eight years ago, the video group contributed 4% of the company's total revenues of $910.7 million and recorded a loss of $2.8 million. In 1982, video operations had an operating income of $166.2 million, 47% of the company total, and brought in 24% of the company's $3.56 billion revenues.

And those lofty totals may only be the beginning from this growing division. Last year, HBO joined with CBS and Columbia Pictures to form Tri-Star Pictures, a film production studio that plans to spend $400 million making 12 to 18 pictures a year. HBO also helped create an investment and movie-production program called Silver Screen Partners that aims to raise up to $125 million to finance approximately a dozen pictures. In exchange for exclusive pay-cable rights to the films, HBO has agreed to cover any box-office losses they incur.

The dominance in the pay-tv field by HBO—and its expansion moves into the film business—has some of its competitors crying monopoly. Two of them, Showtime and The Movie Channel, tried earlier this year to combine their service into a joint venture that would be competitive with HBO, but the Justice Department has filed an antitrust suit to block the venture.

In 1982, Time Inc. spent $9.95 million in measured media to advertise its video operations, the largest chunk of which—$8.4 million—went to exclusive advertisement of HBO. For the first time, the company spent money on a separate advertising campaign for its three-year-old Cinemax service, allocating $187,300 for the pay-tv channel, most of it for magazine advertising. The advertising for HBO went mostly to three $2 million-plus chunks to magazines, network tv and spot tv.

While Time Inc.'s video group was growing in 1982, its magazine division was far from dormant. The company's seven magazines—*Time, People, Sports Illustrated, Fortune, Money, Life* and *Discover*—brought in $720.4 million in advertising revenues last year, a figure that equaled one-fifth of all ad revenues collected in 1982 by the 116 magazines tracked by the Publishers Information Bureau. *Time*, with $256.4 million in ad dollars, was again the industry leader, and dominated its two newsweekly competitors, *Newsweek* and *U.S. News & World Report*, with a 48% market share.

Time spent $15.4 million on measured advertising last year, almost double the $8 million it spent in 1981. Most of that went to spot tv ($10.9 million) with the rest divided among network tv ($1.8 million), magazines ($1.5 million), newspaper supplements ($1.1 million) and network radio ($17,000).

Its other magazines spent the following amounts on advertising in 1982: *Sports Illustrated*, $6 million; *People*, $12.9 million; *Fortune*, $795,000; *Money*, $548,000; *Life*, $1.1 million, and *Discover*, $978,000.

The company introduced TV-Cable Week in 1982, a magazine that is expected to cost $100 million to market and produce over the next five years. In July, the company named S. Christopher Meigher, 36, new publisher of the fledgling magazine.

Time Inc. is also looking at two other possible publications, one a life style magazine, the other an "upscale" book. The company has also confirmed that it has taken a look at *Working Woman* as a possible acquisition.

Less positive was the news last year from the Books Group. Although in 1982 revenues of $485 million made it one of the largest book publishing operations in the world, it contributed little to Time Inc.'s operating profit last year. Only Book-of-the-Month Club had any success last year, as it achieved its highest net sales and earnings in its 56-year history. Meanwhile, Time-Life Books operated at a significant loss and Little, Brown ended 1982 marginally in the black. Over-all, the Books Group had an operating income of $1 million last year, compared with the $21 million it earned in 1981.

Time Inc. spent $21.2 million advertising its various book operations in 1982, almost all in magazines. Of that total, $11.5 million went to promote Time-Life Books, $5.7 million was spent on Book-of-the-Month Club and its various subsidiaries, and $2.4 million was spent on Little, Brown.

Stuart Emmrich

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$20,186,700	$17,825,300
Magazines	30,206,700	36,455,200
Spot tv	30,339,900	30,025,200
Network tv	10,861,900	6,850,600
Spot radio	2,286,500	55,800
Network radio	123,500	181,000
Outdoor	317,900	143,000
Total measured	94,323,100	91,536,100
Unmeasured	35,801,900	49,596,900
Estimated total	130,124,000	141,133,000

TIME INC.
Marketing Personnel
Corporate Circulation

David Roberts, promo director

TIME

John A. Meyers, vp-publisher
Richard B. Thomas, vp-assoc publisher, worldwide adv sales director
Robert B. Sweeney, worldwide public affairs/special events director
George Berger, promo director
Eric G. Thorkilsen, circ director

PEOPLE

Richard J. Durrell, vp-publisher
Daniel E. Zucchi, assoc publisher
William S. Myers, adv sales director
Robert B. Kyle Jr., promo director
Michael J. Owen, circ director

FORTUNE

Edward Patrick Lenahan, vp-publisher
James B. Hoefer, assoc publisher and adv sales director
Elizabeth P. Valk, circ director
David Nimz, promo director

DISCOVER

Carl G. Jaeger, publisher
R. Timothy Leedy, adv sales director
Jane Grenadier, circ director

MONEY

William M. Kelly Jr., publisher
James B. Hayes, adv sales director
Michael Rich, promo director
Barbara Mrkonic, circ director

LIFE

Charles A. Whittingham, publisher
Charles Rubens II, adv sales director
Gilbert Lesser, promo director
H. McLean Smith, circ director

SPORTS ILLUSTRATED

Robert L. Miller, publisher
Donald J. Barr, assoc publisher-adv sales director
Alvin F. Buchanan Jr., creative services director
Robert D. McCoach, circ director

TV-CABLE WEEK

S. Christopher Meigher, publisher
Jan H.H. Meyer, adv sales director
Harry C. Rubicam, promo director
Michael J. Klingensmith, circ & mktg director

TIME-LIFE BOOKS

William Henry, senior vp-mktg

BOOK-OF-THE-MONTH CLUB

Lewis M. Smith Jr., senior vp-mktg director

LITTLE, BROWN & CO.

Jess M. Brallier, mktg mgr, trade div
William A. Guthrie, adv-publicity director, trade div
Timothy Robinson, genl mgr, law div
Joel Baron, mktg mgr, medical div
Janet Carlson, mktg director, college div

TEMPLE-EASTEX

Joe K. Sample, vp-mktg (building prods)
Russ E. Chase Jr., senior vp-sales (pulp & paperboard)
Al n Miller, public affairs director

INLAND CONTAINER CORP.

J.E. Cory, senior vp-sales/mktg
J.M. Areddy, vp-public affairs

AMERICAN TELEVISION & COMMUNICATIONS CORP.

Gary Bryson, vp-mktg
Richard B. Holcomb, vp-public affairs
James C. Duffy, director public info

HOME BOX OFFICE

Winston H. Cox, president, HBO Network group

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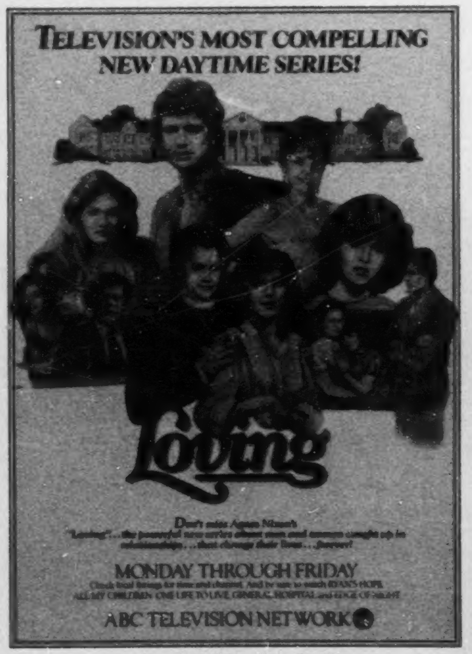
100 LEADERS

Odds and Ends



American Broadcasting Cos.

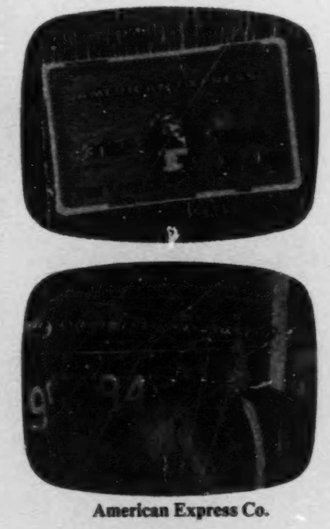
The Americans

The most commonly used word in 100 Leader company names is, perhaps not surprisingly, American. Patriotism, one might say, is something these corporate giants like to wear on their logos. And of those eight that make this list, one even has a parent who is Japanese.

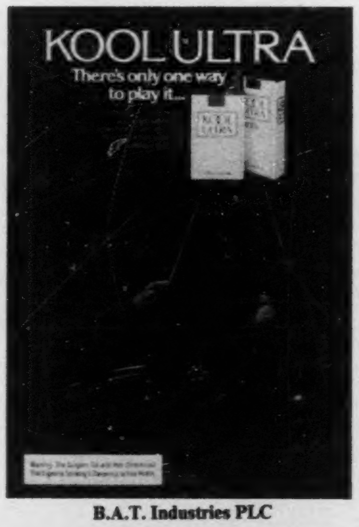
By the way, there would have been nine, but American Airlines decided to change its name to AMR Corp.

The eight companies are:

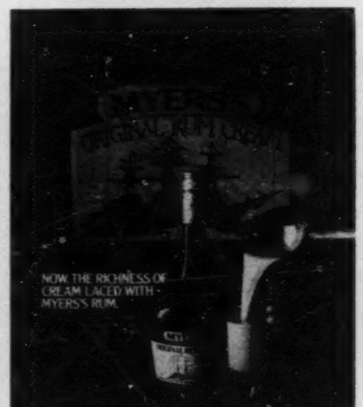
- American Brands
- American Broadcasting Cos.
- American Cyanamid Co.
- American Express Co.
- American Home Products Corp.
- American Honda Motor Co.
- American Motors Corp.
- American Telephone & Telegraph Co.



American Express Co.



B.A.T. Industries PLC



Seagram Co. Ltd.

The 'Foreigners'

On the other hand, there are those companies that have parents or are closely affiliated with foreign companies. In most cases, you'd never be able to tell just by looking at their names.

Here they are (with parent or affiliate in parentheses):

- American Honda Motor Corp. (Honda Motor Co., Ltd., Tokyo)
- American Motors Corp. (Regie Nationale des Usines Renault. Boulogne, France)
- Batus Inc. (B.A.T. Industries PLC, London)
- Beecham Group Ltd., Middlesex, United Kingdom
- Canon U.S.A. (Canon Inc., Tokyo)
- GrandMet USA (Grand Metropolitan PLC, London)
- Mazda Motors of America (Toyo Kogyo Co., Hiroshima)
- Miles Laboratories (Bayer AG, Leverkusen, West Germany)
- Nestle Enterprises (Nestle SA, Vevey, Switzerland)
- Nissan Motors Corp., U.S.A. (Nissan Motors Co., Tokyo)
- North American Philips Corp. (NV Philips, Eindhoven, the Netherlands)
- Seagram Co. Ltd., Montreal
- Toyota Motor Sales (Toyota Motor Corp., Tokyo)
- Unilever U.S. (Unilever PLC, London, and Unilever NV, Rotterdam, the Netherlands)
- Volkswagen of America (Volkswagenwerk AG, Wolfburg, West Germany)
- Hiram Walker Resources Ltd., Toronto

John Billock, senior vp-mktg
Matthew Blank, vp-consumer affairs
Larry Carlson, vp-affiliate mktg & mktg services

TIME-LIFE VIDEO

Dorothy Dunbar, adv & promo director

SELLING AREAS-MARKETING INC. (SAMI)

Carlyle C. Daniel, president
Daniel Ladd, exec vp
David M. Gager, vp-sales
Alan B. Miller, vp-sales services manager

TIME INC.

ADVERTISING AGENCIES

Ally & Gargano, New York—*Time* (circ promo)—Peter Bates, acct exec; James Cashion, acct exec.

N W Ayer/Ayer Direct, New York—Time-Life Books—Connie Hoodkiss, acct super; Gina Buttofucco, media super.

Ted Bates Advertising, New York—Home Box Office, Inc.—Brian Gail, senior vp-mgmt rep; Sharon Mosse, vp-acct super (HBO); Lynn Feinman, vp-acct super (Cinemax). TV-Cable Week—John Noakes, exec vp; Sheila Patterson, mgmt rep; Don Simons, acct super.

Caldwell Van Riper, Indianapolis (Yellow Pages)—Inland Container Corp.—Frank J. Wemhoff, president.

Craig, Lamm, Hensley & Alderman, Houston—Temple-Eastex—Bill Hopson, acct super.

Creamer Inc., New York—Selling Areas-Marketing Inc. (SAMI)—Harvey Dreyer, acct super.

A. Eicoff & Co., Chicago—Time-Life Books—Ron Bliwas, president-mgmt super; Susan Thompson, senior vp-media director.

A. Eicoff & Co., New York—Time-Life Books—Marty Grossman, vp-acct super; Francie Barson, vp-media director.

John Emmerling Inc., New York—*Money* (adv promo)—Jim Guthrie, acct super.

Geer, DuBois, New York—*Life* (adv promo)—Doria Steedman, acct super; Rita Haves, acct exec; Kathy Reps, media super. *Life* (circ promo)—John Allen, acct super; Barbi Zakin, acct exec. Time-Life Video—John Allen, acct super.

Holland & Callaway Advertising, New York—*People* (circ promo)—Jim Callaway, president-acct exec; Ron Holland, vp-acct super.

Kopycinski & Associates, Lufkin, Tex.—Temple-Eastex—Vic Kopycinski, acct exec.

Lord, Geller, Federico, Einstein Inc., New York—Book-of-the-Month Club Inc.—Moira Hearne, acct super; Judith Ehrlich, acct exec.

Ogilvy & Mather Partners, New York—*Sports Illustrated* (adv promo)—Joe Davis, acct super; Peter Walsh, acct exec.

Richards Group, Dallas—*Sports Illustrated* (circ promo)—Danny Green, acct exec.

Franklin Spier Inc., New York—Little, Brown & Co.—Erin McHugh, acct exec.

Tracy-Locke/BBDO, Denver—American Television & Communications Corp. (ATC)—Jim Anderson, acct super; Terry Coke-Kerr, acct exec; Jeff Armstrong, acct exec.

Wunderman International, Montreal—*Time International* (circ)—Alan R. Brodeur, vp-acct super.

Wunderman, Ricotta & Kline—*Discover* (circ promo)—Steve Dapper, mgmt super; Jean Alexander, acct super; Michele Jehle, acct exec. *Fortune* (circ promo)—John Stevenson, mgmt super; Debra Brown, acct super; Michael Darling, acct exec. *Money* (circ promo)—Steve Dapper, mgmt super; Jean Alexander, acct super; Michele Jehle, acct exec. *Sports Illustrated* (circ promo)—Jean Alexander, acct super. *Time* (circ promo)—John Stevenson, mgmt super; Debra Brown, acct exec; Michael Darling, acct exec. Book-of-the-Month Club Inc.—Harriet Ballard, acct super; Michael Darling, acct exec. Time-Life Books—Worth Linen, vp-mgmt super; Ralph Seigler, vp-mgmt super; Bob De Sena, vp-assoc media director.

Young & Rubicam, New York—*Discover* (adv promo)—Tom Spangenberg, mgmt super; Duncan Pollock, acct super. *Discover* (circ promo)—Tom Spangenberg, mgmt super; Duncan Pollock, acct super; Terry Pranses, acct exec. *Fortune* (ad promo)—Bill Brown, acct super; Terry Pranses, acct exec. *People* (ad promo)—James Tyrell, acct super; Robert D. Boucher, acct exec. *Time* (circ promo)—Tom Spangenberg, mgmt super; Terry Pranses, acct exec; Bill Brown, acct exec. *Time* (ad promo)—James Tyrell, acct super.

Toyota Motor Sales

	1982	1981
Sales..........	$15,096,252,000	$13,750,637,000
Earnings.....	555,249,000	520,499,000
Advertising*..	111,342,300	103,686,700

*AA estimate

Toyota Motor Sales, Torrance, Cal., the 58th largest leading national advertiser, is estimated to have increased its advertising expenditures 7.3% to $111.3 million in 1982.

The sole stockholder in the company is Toyota Motor Corp., a new corporate entity formed on July 1, 1982, with the merger of Toyota Motor Co. and Toyota Motor Sales Ltd. of Japan.

It was a difficult year for Toyota Motor Co. as unit sales declined in Japan and overseas by 3% to 3.2 million. As the recession continued, consumer demand for automobiles softened. Exports suffered a 7.9% decline to 1.7 million units.

Despite this, Toyota Motor Corp. reported worldwide sales of $15.09 billion in fiscal 1982, a 9.8% increase over 1981 levels. The rise was mainly attributed to increased sales of higher-price models and the favorable impact of the weakening of the yen on the value of export sales. These factors, combined with company cost-reduction programs, led to a sharp gain of 34.6% in income. Net income grew by 6.7% to $555.3 million.

In the U.S., which accounts for around 50% of the company's exports and 25% of its total business, Toyota maintained its position in 1982 as the best-selling import car and truck, but began to feel the pinch of the voluntary restrictions limiting the number of vehicles exported to the U.S.

It also faced strong competition from other imported car companies and to a certain extent from Detroit, which managed to retake a healthy share of the small truck market from the imports with several minipickup models.

The Japanese auto maker sold 674,554 cars and trucks in the U.S. during 1982, a decline from the previous year's 714,020 levels. The company's share of the import car market in the U.S. shrank slightly to 23.8% from 24.4% in 1981.

The company ranks third in worldwide production of motor vehicles, behind General Motors and Ford and followed by Nissan. Toyota's share of the total U.S. car market is around 6%.

The Corolla was once again Toyota's sales leader in 1982, accounting for around 33% of the company's U.S. sales volume. First introduced in 1966, the Corolla has gained wide acceptance among drivers both in Japan and overseas. In 1979 it became the first Japanese automobile to exceed the 7 million mark in aggregate model production, and, for five years in a row it held the record as the world's top production model, a position it regained in 1980 and maintained through 1982.

Print and tv ads for Corollas focused on the new features of a car that remained unchanged in design from 1982 models. The ads, which pointed to the differences in the 1983 version (a more efficient engine, new suspension and interiors), featured actors in the roles of cartoon characters Olive Oyl and Popeye.

The redesigned line of four-wheel drive Tercels received the lion's share of Toyota's 1983 introductory ad budget. Tv commercials focused on the new Tercel four-wheel wagon, which was said to be loaded with so many new features that its four-wheel drive capability represented only the "tip of the iceberg." To graphically illustrate that point, the car was photographed atop Alaska's Columbia glacier.

Toyota also introduced a new GTS version of its sporty Celica model line using print ads and tv commercials featuring songwriter/personality Paul Williams and race driver Dan Gurney. Mr. Gurney also promoted the Celica Supra, which was positioned as a performance sports car. The commercials featured a Celica undertaking a grueling drive to the 14,000-ft. summit of Pike's Peak. Theme for the Supra ad was "The right stuff."

As in the past, Toyota's over-all theme for all its lines was "Oh what a feeling!"

Toyota's small, fuel-efficient pickup trucks continued to receive heavy emphasis, as the company's only product line not subject to restrictions. The company spent more than 13% of its total media budget on the truck lines, with expenditures reaching the $15 million level.

Competition within the segment accelerated. Nissan, U.S. distributor for Datsun trucks, cut the price of its stan-

NEEDABLE
ADD COLOR TO COVERAGE AND YOU HAVE THE BEST COMBINATION
Bergen
NYC

Most needable for advertisers. The impact of full-color on newsprint is The Record's most recent asset for its advertisers.

Extraordinary is the word for The Record's coverage of Bergen County, N.J., which has an $11.2 billion Effective Buying Income.

For example, The Record's adult readership is 51% daily and 64% Sunday—compared with only 17% daily and 23% Sunday for The New York Times, and only 5% daily and 6% Sunday for the Newark Star Ledger.

The readers of The Record expect more, and they get more. So will you. Call Bernard Schraer, advertising director, 201/646-4259—or the Sawyer-Ferguson-Walker Company, national representative.

Most needable for readers. Nowadays a newspaper is gray and dull without the impact of full-color.

The Record is in the forefront by adding the bonus of sparkling color to its thorough coverage of news and information. Color that brightens your weekdays as well as Sundays. Coverage that can add new dimensions to your lifestyle.

The Record
NEW JERSEY'S LARGEST EVENING NEWSPAPER
SOURCES: THE SCARBOROUGH REPORT, 1982
©SAMM SURVEY OF BUYING POWER, 1983

dard pickup by 4.7% to $5,858. Mazda Motors of America also cut the price of its minipickups to $5,795, making them the lowest-price units available in the country. Toyota came out with a a base minipickup model, priced at $5,998, or 4.8% below the $6,298 list price of the old, standard pickup.

While Toyota continues to hold the top spot among the Japanese in the small truck market and increased total truck sales over 1981, it has been losing share to American truck manufacturers. Chevrolet's S10 and Ford's Ranger—which are slightly larger than their Japanese counterparts and offer more power at competitive price points—continue to show strong sales at the expense of some import companies, and have expanded the total small-truck segment.

In 1981, Toyota and Ford Motor Co. tabled plans for joint production of a car they could produce in the U.S., but 1982 saw the start of similar discussions between General Motors and the Japanese car company. In early 1983, Toyota and GM signed an agreement calling for a joint venture to produce a small car at GM's facility in Fremont, Cal. If it comes to pass, it will represent the first time a Japanese and U.S. company have agreed to work together to make a car in this country.

Under the agreement, Toyota and GM will produce a new subcompact that is a variation of Toyota's front-wheel drive replacement for the Corolla. The Toyota version will be introduced in the fall of 1983; the GM-Toyota model is expected to be introduced in the 1985 model year.

Whether the deal will actually happen is uncertain at this time. There are at least two potential stumbling blocks. First, the Federal Trade Commission must give its approval (it is currently reviewing the deal on the basis of antitrust) and, second, a labor agreement with the United Auto Workers must be successfully negotiated.

Jennifer Pendleton

ADVERTISING EXPENDITURES

	1982	1981
Newspapers.......	$15,611,100	$11,229,100
Magazines........	10,890,800	10,100,500
Network tv........	21,244,000	25,550,100
Spot tv............	44,792,100	38,616,400
Spot radio.........	3,633,900	3,765,100
Network radio.....	249,600	150,400
Outdoor...........	2,111,800	1,775,100
Total measured..	98,533,300	91,186,700
Unmeasured....	12,809,000	12,500,000
Estimated total..	111,342,300	103,686,700

Marketing Personnel

N.D. Lean, senior vp-coo
H.A. Bracken, group vp-natl sales and distribution
W.E. Christell, vp-mktg
E.B. Brogan, corp public affairs mgr
J. Press, national adv mgr

Advertising Agency

Dancer Fitzgerald Sample, Torrance, Cal. —Stuart Upson, chairman-ceo; Norm Lauchner, mng director; Jim Lindsey, mgmt super.

Trans World Corp.

	1982	1981
Sales........	$5,107,900,000	$5,265,500,000
Earnings.....	29,900,000	61,600,000*
Advertising**..	91,614,900	95,235,900

*Restated
**AA estimate

Trans World Corp., New York, the nation's 66th leading advertiser, spent $91.6 million on advertising in 1982, a 3.8% decrease from 1981.

The company showed a 2.9% loss in revenues to $5.11 billion for 1982, as net income also dropped, declining to $29.9 million, 51.4% less than 1981 earnings of $61.6 million.

The company had a tough year in 1982 with only one of its subsidiaries, Spartan Food Systems, showing a clear increase in profit. Spartan had a pretax net income of $39.2 million, up 21% from 1981.

The company's other subsidiaries did not fare as well. Century 21 Real Estate and Hilton International Co. profits' were down; profits for Canteen Corp., remained virtually unchanged.

The company's biggest unit, Trans World Airlines (TWA), slipped further into the red, showing a pretax loss for the fourth straight year, from $28.2 million to $44.5 million. TWA's domestic market share fell from 9.3% in 1981 to 8.7% in 1982, sources say.

For the first two quarters of 1983 TWA lost $108.9 million, of which $16.2 million came in the second quarter. The company attributed the drop to reduced domestic traffic and an increase in payroll expenses.

TWA's advertising spending fell from $55 million in 1981 to $49 million in 1982. Ad campaigns continued in the price-cutting vein, as TWA followed competitors by offering a $99 fare to major cities. In other advertising, the airline emphasized its Ambassador Class, positioned as a middle-of-the-road alternative; it is priced slightly higher than coach fares (with more services, as well), but lower than first-class. TWA also reintroduced its Kids Fly Free program, which ran from January through March, 1983.

Due to the company's increasing reliance on its smaller—but more profitable—subsidiaries to offset the increasing debts of TWA, industry sources predict that the corporation may divest itself of the carrier. Earlier this year, the company put up for sale 3.3 million shares of new stock and 1.7 million of held (but not traded) TWA stock, decreasing Trans World's percentage of ownership from 100% to 84%.

Profits of Hilton International Co. fell 23.4% in 1982 from their record level of $73.4 million in 1981 to $56.3 million in 1982. About 75% of that decline can be attributed to the fluctuation in foreign currency rates, according to the company. In addition, overall, the occupancy rate for the hotels fell three percentage points in 1982, to 68%.

Hilton spent a total of $935,000 on measured advertising, down 43% from 1981, according to Leading National Advertisers.

The hotel chain continued to expand in 1982, with four new units opening under the Hilton International name. Also, a Vista International opened in Washington in January, 1983; another is scheduled to open in Kansas City, in 1984. There are eight additional hotels under construction.

Century 21 Real Estate continued to suffer from the recession-ridden housing market. The company posted pretax profits of $5.9 million in 1982, down 36% from 1981. As of Oct. 1, McCann-Erickson, Los Angeles, will take over as agency of record for the company; Wells, Rich, Greene, Los Angeles, handled advertising in 1982.

Century 21, the No. 1 franchise real estate organization in North America, emphasized its variety of services in its 1982 advertising, including its ability to help potential home buyers find alternative financing. Advertising expenditures dropped 5.8% to $2.8 million, or about 8.2% of revenues, according to the company.

Century 21 expects to expand its services in 1983 by offering homeowner's insurance, real estate syndication and mortgage brokerage.

Canteen Corp., one of Trans World's two foodservice wings, showed a slight decrease in profits in 1982, down 0.4% from 1981 to $22.9 million. The recession continued to cut into company profits, as fewer people ate at Canteen's industrial outlets because of the depressed manufacturing industry.

Canteen has three subsidiaries, Dunhill Personnel System, an employment placement agency; Rowe, a cigaret vending service, and Milnot Co., processor and distributor of a canned milk-based product and other foodstuffs. Milnot introduced a new sweetened condensed milk product line.

Spartan Food Systems, the company's other foodservice subsidiary, is parent company to Quincy Family Steak Houses and a franchise of Hardees restaurants. In 1982, Spartan added 17 units to its Hardee's holdings, bringing the total to 259. Altogether, the Hardee's chain has 1,556 throughout the Midwest, Southeast and Mid-Atlantic region, as well as 609 Burger Chef units acquired from General Foods Corp. The chain had sales of $1.4 billion in 1982, making it the fifth-largest system, behind No. 4 Wendy's.

Lisa Wells

ADVERTISING EXPENDITURES

	1982	1981
Newspapers.......	$19,857,300	$17,354,100
Magazines........	4,354,300	6,262,300
Spot tv............	13,392,700	11,929,700
Network tv........	8,057,600	15,158,700
Spot radio.........	7,971,700	4,757,200
Network radio.....	185,200	647,900
Outdoor...........	543,900	376,400
Total measured..	54,362,700	56,486,300
Unmeasured....	37,252,200	38,749,600
Estimated total..	91,614,900	95,235,900

TRANS WORLD AIRLINES

Marketing Personnel

S.N. Effman, senior vp-marketing & planning
B.J. Kennedy, vp-adv & sales
L.S. Toulouse, staff vp-passenger mktg

Advertising Agency

Ogilvy & Mather, New York—domestic/intl passenger services—Graham Philips, mgmt rep; Max Bisset, mgmt super.

HILTON INTERNATIONAL CO.

Marketing Personnel

Fred W. Ruoff, vp-mktg
R.H. Braun, adv and sales promotion
R.H. Treseder, adv mgr (Europe, Africa, West Asia)

Advertising Agency

Lord, Geller, Federico, Einstein, New York—Al DeJonge, acct exec.

CANTEEN CORP.

Marketing Personnel

Daniel R. Krpan, vp-mktg
H. Kenneth Hatter, director-mktg and prod planning

CENTURY 21 REAL ESTATE CORP.

William B. Mosely, senior vp-mktg and adv

Advertising Agency

McCann-Erickson, Los Angeles—Tom Grant, exec vp.

SPARTAN FOOD SYSTEMS

Marketing Personnel

Loren M. Seager, vp-mktg

Advertising Agencies

Benton & Bowles, New York—Quincy's, Hardee's franchises—Rod Torrence, acct exec, Quincy's; Debbie Nenzel, acct exec, Hardee's.

Jackson Smith Advertising, Atlanta—Ed Redmond, acct exec.

Souther Agency, Spartanburg, S.C.—Larry Souther, acct exec.

20th Century-Fox Film Corp.

	1982	1981*
Sales........	$560,738,000	$555,000,000
Earnings.....	(16,859,000)	NA
Advertising**..	64,952,300	42,000,000

*Estimated calendar year 1981
**AA estimate

20th Century-Fox Film Corp., Los Angeles, is the 86th largest advertiser in the U.S., with total ad expenditures for its film, tv and telecommunications ventures of $65 million in 1982, an increase of 54.7% from the previous year.

Each of the divisions independently oversees its own operations including advertising and promotion. Measured media came to $35 million, a 54% increase in the seven media monitored.

According to recently released statistics of the closely-held company, 20th Century-Fox suffered a net earnings loss of $16.9 million on operating revenues of $560.7 million for the year ended Aug. 28, 1982. Full-year figures for 1981 are not available, but published figures covering eight months of 1981 (through Aug. 29) set net earnings at $40.4 million on operating revenues of $360.9 million.

Richard Ingber, senior vp-advertising for 20th Century-Fox, says the studio's major ad support went for "Return of the Jedi," the final release of the "Star Wars" trilogy, which opened May 25. The film, however, was marketed differently from the previous two "Star Wars" pictures. Four film trailers, or minifeatures, on the making of the film were made available to movie theaters six months before the film's release. Although the same media mix was used for "Return of the Jedi" as for the other "Star Wars" films, more print advertising was purchased in specialized science fiction and fan magazines.

Fox also made a departure in the promotion of the original "Porky's" in March, 1982. The initial $5 million promotion involved a sneak preview program, local promotions involving special events and national tie-ins. The 1983 release of "Porky's II" involved a larger percentage of spot tv advertising, and also included cross promotion for the "Porky's II" videogame from Fox Videogames, which represented the studio's first multiproduct campaign. Such campaigns are expected to become the standard.

"Quest for Fire," which was released slowly at just a handful of theaters, involved more spot tv and newspapers.

Mr. Ingber said other films that represented "a good ratio of dollars spent to dollars received" for Fox were "Max Dugan," "The Entity," "The Chosen" and "The Man From Snowy River."

Mr. Ingber said each campaign is tailored to the specific film but that the national launch of releases generally cost Fox between $3 million and $12 million to properly market films.

In the past several years, Fox films has been aggressively buying radio and has continued its interest in cable advertising on such narrowcast outlets as MTV: Music Television, USA, superstation WTBS-TV and the Entertainment Sports Programing Network (ESPN). Mr. Ingber said cable continues to offer Fox flexibility in the length and nature of advertising (including clips from films that might not be allowed to air on network tv). Fox also has directed a growing amount of its younger demographic advertising efforts to on-campus forums like *The Wallpaper Journal* which is posted on more than 1,000 campuses weekly, and in free campus magazines.

This fall Fox plans to take advantage of shared 30-second ads, now being accepted by at least two of the commercial networks, by promoting two of its films in a shared 30-second spot.

Mr. Ingber said Fox will have a unique advertising opportunity in 1984 because it has the exclusive movie rights to the 1984 Olympics. It is the only movie company which will be allowed to advertise during ABC's broadcast of the summer and winter games. It will be the first time that the release of Fox films will be scheduled on the basis of the promotion of those films during the Olympics. The Olympics agreement with ABC represents a $10 million commitment with a $2 million option.

In 1983, Fox plans to spend four or five times what it did in 1982 for overall advertising and promotion of tv series, shifting more of its ad spending from spot tv to network tv. This fall Fox will provide its first network advertising for tv properties in touting such new network series as the "M*A*S*H" sequel, "Emerald Point, N.A.S.," "Trauma Center," "It's Not Easy" and "Manimal." The initial campaign budget for each show will be $200,000-plus.

Fox will have eight network tv series on the air this fall, one-quarter of which are returning shows, including "Fall Guy" and "Trapper John, M.D."

Jeff Schadlow, vp of marketing and research for Twentieth Century-Fox Television, said his division cut down on publicity for its tv properties last year. It did, however, produce its own spots to promote the first full network season of the series adaptation of "9 to 5" on ABC. About $200,000 was spent to launch the series with endorsement spots (featuring recognizable ABC series stars, including John Ritter and Robert Wagner) appearing the first three weeks in the nation's top 10 markets.

About $3 million will be spent in 1983 on all forms of advertising of its network, syndicated and international tv properties, with an increased percentage going to advertising on network tv.

Advertising later this year and early next year may involve such techniques as viewer sweepstakes tied to the premiere of new series and special coupon promotions in cooperation with major product advertisers. Fox has not used either technique before. *TV Guide* and weekly tv logs will continue to be Fox's primary promotional tools for tv properties.

In the area of syndicated tv productions, Fox mainly provides the various independent and network affiliated stations airing the programs with film outtakes and other materials for them to construct their own promotions. Fox spends no media dollars of its own. Its syndicated properties included "Blood Feud" in 1983, "Helen Keller—The Miracle Continues" in 1984 and the continuing weekly series "Dance Fever." Fox also has worked with Showtime Entertainment to produce new episodes of "Paper Chase" for pay tv.

Fox has a similar marketing arrangement with broadcast outlets for its pay per view tv events, which during the past year have included the original "Star Wars" and the last concert of "The Who." The same marketing arrangement was applied to the redramatization of "Pygmalion," which Fox produced for Showtime and was broadcast this summer.

Fox tv internationally has entered into joint ventures with various stu-

TOP
25
Outdoor advertisers

Rank	Advertiser	Expenditures (in thousands) 1982	Expenditures (in thousands) 1981
1	R.J. Reynolds Industries	$77,233.2	$50,253.9
2	Philip Morris Inc.	50,538.0	41,809.0
3	Batus Inc.	42,537.1	27,793.2
4	Loews Corp.	23,661.8	25,041.0
5	Seagram Co. Ltd.	16,064.2	13,445.7
6	American Brands	12,314.4	10,086.0
7	Hiram Walker Resources Ltd.	8,931.8	7,128.7
8	Brown-Forman Distillers Corp.	7,680.1	6,226.6
9	National Distillers & Chemical Corp.	6,459.1	7,373.0
10	General Motors Corp.	5,009.0	3,809.0
11	Anheuser-Busch Cos.	4,820.1	2,058.6
12	Rapid-American Corp.	4,719.9	3,432.0
13	GrandMet USA	4,652.0	2,874.3
14	McDonald's Corp.	4,142.9	3,682.8
15	Coca-Cola Co.	3,189.4	2,878.0
16	Norton Simon Inc.	3,006.3	2,510.1
17	Beatrice Foods Co.	2,652.9	2,149.1
18	American Honda Motor Co.	2,631.1	1,287.8
19	Holiday Inns	2,570.4	2,126.8
20	Eastern Air Lines	2,499.4	2,403.7
21	Toyota Motor Corp.	2,111.8	1,775.1
22	Bacardi Corp.	2,105.7	2,009.0
23	G. Heileman Brewing Co.	2,083.7	266.2
24	Hughes Tool Co.	2,026.8	1,060.3
25	Schering-Plough Corp.	1,907.3	1,816.8

Source: Leading National Advertisers, in cooperation with the Institute of Outdoor Advertisers and Outdoor Advertising Assn. of America.

dios based in London to produce more original, first-run programing for cable tv in the U.S. and in Britain. Fox Television also has aggressively been searching for advertisers and agencies interested in co-producing tv movies and other programing for network broadcast.

Following the lead of its film division, Fox tv will divert about 5% of its 1983 ad budget to cable tv. Fox also is poised for further pay tv involvement. Showtime, the No. 2 pay cable network, has been negotiating to form a partnership with Fox, ABC Inc. and Spotlight, another pay cable service.

In 1982, Fox also entered into the burgeoning videogame arena in a $100 million joint venture with CBS called CBS/Fox Inc. to produce and market videocassettes.

The studio was rocked late last year by the resignation of Sherry Lansing as president of 20th Century-Fox Productions after three years. She was replaced by Joe Wizan. Ms. Lansing was the first woman to have headed production for a major movie studio.

Diane Mermigas

ADVERTISING EXPENDITURES

	1982	1981
Newspapers........	$1,098,900	—
Magazines.........	439,400	$1,504,500
Spot tv............	9,6[illegible]	6,121,700
Network tv.........	22,771,100	14,855,100
Spot radio.........	764,700	—
Network radio......	78,000	—
Outdoor...........	181,700	105,700
Total measured..	34,952,200	22,587,000
Total unmeasured	30,000,000	20,000,000
Estimated total..	64,952,200	42,000,000

20th CENTURY-FOX TELEVISION

Jerry Greenberg, vp-adv, pr and promo
Jeff Schadlow, vp mktg-rsch

20th CENTURY-FOX VIDEO GAMES OF THE CENTURY

Frank O'Connell, president

CBS/FOX INC.

Bud O'Shea, senior vp-telecommunications

20th CENTURY-FOX FILMS

Tom Sherak, president-Twentieth Century Fox film distribution
Jack Brodsky, exec vp-worldwide adv, publicity and promo-feature films
Richard Ingber, senior vp-adv

Advertising Agencies

Horlick, Levin & Hodges, Los Angeles—network and syndicated tv—Ron Levin, principal.

Ramey Communications, Los Angeles—international tv—Adrienne Lowe, principal.

Young & Rubicam/Dentsu, Los Angeles—new tv shows—Bruce Collins, acct super.

Vinokur Advertising, Los Angeles—network tv—Dan Vinokur, pres.

BBDO, West—video games—Joan Vaughan, acct exec.

J. Walter Thompson, USA, Los Angeles—Larry Olshan, senior vp-genl mgr; Dick Porter, vp-acct super; Reggie Morrison, (New York), vp-acct super; Cheryl Barnes, acct rep.

UAL Inc.

	1982	1981
Sales.........	$5,319,700,000	$5,141,174,000
Earnings......	30,762,000	(70,530,000)*
Advertising**..	70,585,100	78,749,700

*(Loss)
**AA estimate

UAL Inc., Elk Grove Township, Ill., the 81st largest national advertiser in 1982, spent an estimated $78.7 million in advertising, an 11.6% increase from 1981's $70.6 million.

UAL is a holding company with four principal subsidiaries: United Airlines, Westin Hotels, Mauna Kea Properties (including the Mauna Kea Beach resort hotel in Hawaii and real estate holdings) and GAB Business Services (an insurance services and claims adjusting company).

Consolidated operating revenues for UAL were $5.32 billion in 1982, a 3% increase from 1981's revenues, reflecting the revenue increases registered by the airline, hotel and business-services subsidiaries. Primarily because of nonoperating items, UAL was able to report net earnings of $30.8 million in 1982 after reporting a net loss of $70.5 million the previous year.

Fare wars among the major carriers cut revenue yield per passenger mile for United Airlines, which showed a loss from operations for the fourth consecutive year. Increased productivity, increased use of larger planes (raising available seat miles) and aircraft reconfiguration combined to reduce 1981's loss of $148.8 million 55% to $66.7 million in 1982.

Net earnings for the airline in 1982 were $2.2 million, compared with a net loss of $104.4 million in 1981.

UAL's hotel properties, including the Westin chain and Mauna Kea property, continued to provide the bulk of the holding company's earnings. But the lodging industry was beset by the same recession-related woes as the airlines. Hotel property operating revenues rose 2% to $462.1 million in 1982, but net earnings dropped 15% to $30.2 million.

GAB Business Services' operating revenues increased 12% to $162.3 million, but increased operating costs left the unit with a net loss of $1.7 million, 6% greater than 1981's net loss.

Despite the operating losses, UAL's primary unit, United Airlines, managed to increase its market share 1.6 points to an impressive 21.3% in 1982. This was achieved primarily through addition of new routes (made possible by deregulation of the industry) and aggressive marketing to protect existing routes.

The primary problems faced by United and the other major airlines were a continuing recession that cut the over-all number of passengers coupled with the growth of new regional airlines seeking to establish a position in the marketplace through lower fares. But matching the fare slashing of other carriers cut into that increase, and average yield per passenger mile dropped 7% to 10.44 cents.

In November, 1982, United announced it was cutting supersaver fares between its Chicago base and West Coast destinations, effective the first week of 1983. But Pan Am went United (and the airlines that had announced they would match those new lower rates) one better in January. Pan Am, which lost $485.3 million in 1982, slashed one-way fares to all domestic destinations it serves to $99, and the price battles continued. By the summer of 1983, passenger traffic was rising as the economy improved. United and most others began phasing in new fare structures based on miles flown with the net result that ticket prices began to rise again.

This continual adjustment in fares on its many routes, often necessitating explanations of purchase restrictions, helps explain the dramatic rise in United's expenditures for spot tv, which jumped 23% from $16.7 million in 1981 to $20.6 million in 1982.

While it jockeyed fares to remain competitive, United continued its internal drive to increase productivity. By the end of the year, the airline had cut nearly 3,600 employes from its ranks, an 8% decrease.

Also as part of the productivity drive, United increased usage of larger-capacity aircraft and in September, 1982, became the first airline to fly the new Boeing 767. Seven of these 197-passenger jets were in operation by the end of 1982, with an additional 12 added this year.

A summer ad campaign for the 767 preceded its September introduction. The print campaign told passengers, "If you had a favorite airplane, this one's going to take its place."

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100

had limited schedules and depressed earnings in 1981 no longer was a problem in 1982, but scheduling limitations during peak traffic periods at major airports remained. UAL chairman Richard J. Ferris said at the company's 1983 meeting that the removal of those restrictions by mid-1984 will allow United to boost flights into the airline's Chicago, Denver and San Francisco hubs.

United countered the limitations to flights at major cities by increasing the number of smaller locations served, a move made possible by increased route-selection freedom resulting from deregulation. In 1982, service was added to Albuquerque; Dallas/Fort Worth; San Antonio; Harrisburg, Pa.; New Orleans, Sioux City, S.D., and Syracuse, N.Y.

This year, United planned the addition of routes serving Albany, N.Y.; Austin and El Paso, Tex. Burlington, Vt.; Indianapolis, Ind.; Kahului (Maui), Hawaii; Louisville, Ky., and St. Louis. Nonstop service between Chicago and Anchorage began in June, 1983.

Advertising for all these routes included United's long-running "Fly the friendly skies" theme. United began a new campaign in January, 1982, targeted to frequent travelers. A series of prominent businessmen and women give their answers to the question, "Why do 100,000-mile fliers choose United Airlines?" Spots end with the theme, "People who fly for a living fly the Friendly Skies."

In June, 1982, United received clearance for the route it had been coveting for years, and in April, 1983, scheduled nonstop service from Seattle and Portland to Japan was inaugurated. In May of this year, United began its second trans-Pacific route, operating between Seattle and Hong Kong. Heavy initial ad support for the Tokyo flights was provided in Chicago, where the flights originate or terminate, and Japan, where introductory advertising stressed that United was the largest air carrier in the U.S.

The rise in United's total advertising expenditures also reflects increased support for its United AirExpress overnight package delivery business launched late in 1981. Tv and print ads in a major campaign begun last year featured talking packages arriving by cab at an airport and ready to take to the friendly skies. Nearly $10 million in network and spot tv advertising backed United's entry in this competitive field.

UAL's Westin Hotels unit, which had changed its name from Western International the previous year, faced a similarly challenging economic environment. Over-all average occupancy dropped 4.6 points from 1981's 77% to 72.4%, which the company maintained was still several percentage points above the industry average. Operating earnings were down 21% while operating revenues rose 2%.

Despite the recession, Westin completed several major construction projects that are part of a billion-dollar expansion program launched in 1980 and due for completion in 1986. Major additions were completed for the Westin Hotel, Seattle; the Carleton in Johannesburg, and the Arizona Biltmore in Phoenix.

A new resort was opened at Vail, Colo., which eventually will be a 400-room property when the The Westin Hotel, Vail, is completed in 1984.

The expansion program continued into 1983 with the planned openings of hotels in Boston, Dallas and Ottawa. A 535-room property near Chicago's O'Hare Airport is scheduled to open early in 1984.

Scott Hume

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$5,996,700	$19,034,400
Magazines	3,855,600	4,662,800
Spot tv	25,825,100	16,738,400
Network tv	13,792,800	8,297,400
Spot radio	14,135,900	8,421,300
Network radio	495,200	—
Outdoor	117,600	406,200
Total measured	64,218,900	57,560,500
Unmeasured	14,530,800	13,024,600
Estimated total	78,749,700	70,585,100

Marketing Personnel

UNITED AIRLINES

J.R. Zeeman, senior vp-mktg
J.E. Ruhaak, vp-adv and promo
J.C. Blackman, vp-genl sales mgr
D.C. Moonjian, vp-mktg mgmt

WESTIN HOTELS

W.P. Newman, senior vp-mktg
D.R. Evans, vp
U. Schwartz, vp
R.D. Olstad, vp
H. Cannova, mgr-reservations system
S. Weiss, mgr-travel industry sales

GAB BUSINESS SERVICES

A. Peters, vp-mktg

Advertising Personnel

UNITED AIRLINES

W.F. Alenson, director-adv and promo
A.E. Sortwell, mgr-adv
W.D. Groundwater, mgr-adv
L.A. Small, mgr-adv
J.P. Grember, special projects mgr
S.A. Grosvald, mgr-merch and promo
L.E. Brenne, mktg devel mgr

WESTIN HOTELS

R.D. LaRue, director, adv and pr
Barbara Sand, adv mgr
Michele Holter, asst to director of pr

GAB BUSINESS SERVICES

Michael Gron, mgr-mktg support

Advertising Agencies

Leo Burnett USA—United Airlines—Jim Thompson, vp-acct director; John Goad, vp-acct super; Ashton Lee, Jim Dotter, acct supers; Cynthia Caples, Don Campbell, Dave Palmer, Dick Treat, Nancy Voorhees, Suzanne Farrand, acct execs.

Cole & Weber, Seattle—Westin hotels—Lee Bartlett, vice-chairman; Sharon Lee, acct exec.

Doremus & Co., New York—GAB Business Services—Richard Depew, acct exec.

Unilever U.S.

	1982	1981
Sales	$2,954,900,000	$2,713,000,000
Earnings	91,766,000	79,461,000
Advertising*	304,582,200	238,878,000**

*AA estimate
**Revised

Unilever U.S., New York, which includes Lever Bros., Thomas J. Lipton Inc. and National Starch & Chemical Corp., is the nation's 14th largest advertiser, spending an estimated $304.6 million in advertising in 1982, up 28% from 1981. Combined sales of the three companies totaled $2.95 billion, up 9% over 1981. Net income rose 15% to $91.8 million.

Parent companies Unilever N.V., Rotterdam, and Unilever PLC, London, noted that their U.S consumer products companies for 1982 made considerable progress toward putting Lever Bros. on firm ground, while Lipton maintained its record of progress.

National Starch net income showed a decline to $37.1 million in 1982 from $41.4 million a year earlier. Sales of that company rose to $692.0 million from $668.3 million.

Lever, the largest Unilever U.S. operation, reduced 1982 losses to $1.9 million from a net loss of $11.5 million in 1981, while sales rose 15% to $1.35 billion. The company invested $137 million in measured media last year to support its toothpaste, bar soap, dishwashing liquid and heavy duty detergent franchises.

Lever's household products division, which accounts for about two-thirds of the company's sales, made gains in all three of its major businesses. In laundry detergents, Wisk liquid, the No. 1 liquid heavy duty detergent, rose to an 8% market share, narrowing the slim gap between it and Procter & Gamble's Cheer, the No. 2 detergent in the $3 billion laundry detergent market. Liquids now account for about 25% of the total heavy-duty category and are the fastest-growing segment.

Concentrated All showed gains of more than 5%. The division repositioned All liquid as a value brand by dropping tv advertising and reducing pricing 20%. All powder received $10.7 million in measured media, while Lever's most heavily advertised detergent, Wisk, received $12.7 million.

In dishwashing liquids, Lever hit paydirt with Sunlight despite some problems with its introductory sampling program. A number of cases of accidental ingestion were reported after consumers mistook the lemon-scented liquid in a yellow bottle for

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Fred Danzig

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lemon juice. Sunlight now has captured 8% of the market, more than doubling Lever's share of the total category, while Dove liquid and Lux liquid combined hold 6%. Spending for Sunlight during its introductory year exceeded $14.4 million, while Dove and Lux were unadvertised.

Lever bar soaps also performed well with Dove growing to 8%, Caress to more than 3.5% and Shield to more than 4%. The heaviest spending—$12.6 million—went toward expanding the company's business in the deodorant segment with Shield. Dove received $11 million in advertising and Caress $6.9 million.

In fabric softeners, Lever holds about 10% of the market with Final Touch, which received $8 million in measured media last year. Lever is testing a new product, Snuggle, positioned as offering softness at a lower price. Other household products put into test include Sunlight automatic dishwasher detergent and Surf heavy duty detergent.

Lever's personal products division showed mixed results as its dentifrice business suffered in the toothpaste war, while the division was heartened by the performance of two new brands, Impulse body spray and Dimension shampoo.

Despite ad investments of $18.8 million for Aim, $13.2 million for Close-Up and $2.5 million for Pepsodent, Lever lost market share as rivals P&G, Colgate-Palmolive and Beecham rolled out new gels and reformulations. For the first time, gels captured more than 50% of the $900 million dentifrice market. Aim fell to a 10% market share; Close-Up to 7% and Pepsodent held at about 3%.

Impulse body spray appears to be one of Lever's hottest new products in years. An import from overseas, the product claims the utilitarian benefits of deodorants/antiperspirants and the psychological benefit of fragrance. Sold in the deodorant section, it has captured close to 10% of the aerosol segment, which in turn accounts for about one-third of the total $1 billion category.

Ad support for the body spray last year totaled $10.9 million in measured media, using the ad theme, "Men just can't help acting on impulse."

Another personal product with significant ad backing, Signal mouthwash, had $4.4 million in measured media in 1982. The No. 4 brand, it holds a 10% market share.

The division's other promising new product, Dimension shampoo, has been expanded into 10% of the country. The company says it became the No. 1 beauty shampoo in Milwaukee, where it was tested.

For the foods division, 1982 was a year of cutting losses and restoring market shares, in part by restructuring the margarine business. The plan now is to continue adding new products to expand the division's base. Imperial margarine, the division's biggest brand, received $3.5 million in measured media last year. The division also markets Promise and Autumn margarines, which are not supported heavily in measured media.

The division supported Mrs. Butterworth's syrup with $3.2 million and began testing a pancake mix under the same name.

In 1982, Lever moved its tv spot buying activity out of J. Walter Thompson USA and split the $30 million business between BBDO and Ogilvy & Mather.

Unilever's major food entries in the U.S. come from Lipton, which spent some $40 million in measured media last year. The company reported sales of $912.9 million in 1982, up 6% from 1981, while net income was $56.6 million, up 14%.

Lipton, the leading U.S. marketer of dry soups and tea, is expanding into a number of segments in the beverage business and last year agreed to distribute G.D. Searle & Co.'s low-calorie sweetener Equal in food stores.

Lipton's biggest advertising expenditure last year, $14.1 million, went into teas, with tea bags receiving $6.2 million; herbal teas, $3.4 million; flavored tea bags, $1.4 million; iced tea mix, $1.2 million and low-calorie iced tea mix, $1.1 million.

Last fall, the company introduced a new theme for herbal teas, "Wind down with Lipton herbal tea . . . there's no caffeine."

Lipton's spent $13.5 million to support its dry soup business, with $7.5 million going into regular dry soups and $6.2 million into Cup-a-Soup instant mixes. The company holds well over 50% of the dry soup business, which totals about $350 million annually. Lipton's regular dry soup business is slightly larger than its instant soup business.

Lipton's Wish-Bone salad dressing received $3.2 million in measured media last year. Other significant measured media spending went into Knox gelatin ($2.2 million) and Lawry's seasonings, sauces, salad dressings and Mexican foods ($2.7 million).

In the new product arena, Lipton rolled national this summer with Sunkist chilled and frozen orange juice after signing for exclusive rights to the Sunkist trademark on a wide range of juices and related products. Sunkist fruit roll snacks were expanded regionally. Earlier this year, Lipton began testing English blend, a full-bodied blend of fine teas, and a 97% caffeine-free version of its regular tea bags.

Good Humor, which received only $350,000 in measured media (excluding newspapers) added several new products, including King Cone ice cream cone, Jumbo Jet Star water ice stick, Sunkist orange juice bar and Finger Bar water ice stick.

Nancy Giges

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$5,336,500	$3,542,000
Magazines	17,684,200	17,104,800
Spot tv	43,765,000	42,949,900
Network tv	111,811,700	95,192,000
Spot radio	152,700	53,700
Network radio	766,800	—
Outdoor	65,300	36,400
Total measured	179,582,200	158,878,800
Unmeasured	125,000,000	80,000,000*
Estimated total	304,582,200	238,878,800

*Revised

LEVER BROS CO.
Marketing Personnel
Richard C. Butler, director, Lever Media Group

HOUSEHOLD PRODUCT DIVISION
Marketing Personnel
John R. Cookson, president
Andrew Seth, mktg vp
Richard P. Donnelly, mktg mgr-bar soaps
George T. Mayer, mktg mgr-hard surface cleaning
John R. Speirs, mktg mgr-laundry care
George J. Franzen Jr., sales vp
Edward L. Kiefhaber, genl sales mgr
Gloria B. Deragon, mktg rsch director
Bonnie J. Carlson, director-sales promo

Advertising Agencies

Ogilvy & Mather, New York—Dove bar, Final Touch—Jack Reed, senior vp-mgmt super; Gerry Lantz, vp-acct super, Dove; Katalin Kovago, vp-acct super, Final Touch; Len Della Morte, acct exec, Dove; Lynne Brooks, acct exec, Final Touch.

J. Walter Thompson USA, New York—Shield, Rinso, Dove liquid, Lux soap—John Maher, group acct director; Steven Dworin, acct director; Gary Steele, Eileen Laymon and Dean Schwartz, acct supers.

SSC&B, New York—Concentrated All, Dishwasher All, Snuggle—Spencer Plavoukos, exec vp-senior mgmt officer; Terry Rosenquist, senior vp-mgmt super; James Coakley, mgmt super; N. Bruce Kravetz, acct super, Concentrated All, new products; Steven Barcan, acct exec, Concentrated All, new products; Andrea Stone, acct exec, Dishwasher All, Snuggle; Paolo Torti, asst acct exec, Concentrated All.

BBDO, New York—Wisk, Sunlight, Caress, Breeze—Ken Rogers, exec vp-senior mgmt rep; David Seal, vp-mgmt super; Alex Carlin, vp-acct super; William Macaluso, vp-acct super; Joan Futterman, Gary Bernstein and Anne Farrow, acct execs.

Sudler & Hennessey, New York—professional promotion, Dove bar—Bob Brancaccio, senior vp-group super; James Carlson, vp-acct super; Peter Christopher, acct super; Coleman Kane, acct exec.

PERSONAL PRODUCTS DIVISION
Marketing Personnel
Arthur C. Unger, president
Donald E. Karlson, mktg vp
Fritz C. Hoefer, mktg mgr-oral hygiene
Eugene C. Marotta, mktg mgr-hair, skin, fragrance
Paul E. Regan, sales vp
James D. Clokey, mktg rsch director
Seymour (Zish) Molbegott, promo devel director

Advertising Agencies

Ogilvy & Mather, New York—Aim—

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Jack Reed, senior vp-mgmt super; Kathy Foley, vp-acct super; Diane Oshin, acct exec.

J. Walter Thompson USA, New York—Close-Up, Impulse—John Maher, group acct director; Steven Dworin, acct director; Gary Steele, Eileen Laymon and Dean Schwartz, acct supers.

SSC&B, New York—Pepsodent dentifrice, Pepsodent and Life Line toothbrushes—Alan Grazio, exec vp-senior mgmt officer; Ian McGregor, mgmt super; Ann Hughes, acct super; Neal Wilkins, acct exec.

BBDO—Signal—Ken Rogers, exec vp-senior mgmt rep; Robert Spofford, vp-mgmt super; Margaret Evans, vp-acct super; Steve Allerton, acct exec.

Sudler & Hennessey, New York—professional programs Aim—Bob Brancaccio, senior vp-group super; James Carlson, vp-acct super; Peter Christopher, acct super; Coleman Kane, acct exec.

FOOD DIVISION

Marketing Personnel

William G. Pietersen, president
Richard F. Gaccione, mktg vp
Rolf J. Bolhuis, mktg mgr
Robert J. Kenney, sales devel vp
Jerome F. Brennan, sales planning director
Geraldine Russo, mktg rsch director

Advertising Agencies

Ogilvy & Mather, New York—Imperial margarine—Jack Reed, senior vp-mgmt super; Gerry Lantz, vp-acct super; Mary Summa, acct exec.

SSC&B, New York—Autumn margarine—Alan Grazio, exec vp-senior mgmt officer; Ian McGregor, mgmt super; Ann Hughes, acct super; Neal Wilkins, acct exec.

McCann-Erickson, New York—Promise margarine—John Boyd, senior vp-mgmt rep; Peter Hall, vp-acct director; David Edelberg, acct exec.

BBDO, New York—Mrs. Butterworth's—Ken Rogers, exec vp, senior mgmt rep; James Keller, vp-acct super; Sheryl Kulberg, acct exec.

SPECIAL MARKETS DIVISION

Marketing Personnel

Gerald V. Batti, genl mgr
Richard H. Schaefer, mktg director
William M. Kirkpatrick, sales director
James J. Barone Jr., genl sales mgr-armed forces domestic

Advertising Agencies

Cadwell-Reingold Group, New York—military market, Hawaii, Alaska, Guam—Harry Reingold, exec vp-mgmt super; Amy Marks, acct exec.

SSC&B, New York—selected brands in Puerto Rico, Virgin Islands.

INDUSTRIAL DIVISION

Marketing Personnel

Conrad W. Petersen, genl mgr
Harold W. Jackson, sales mgr-detergents and toiletries
Joseph P. Kysel, mgr-detergent and chemical prods
Anthony F. Del Balso, sales mgr-govt accts

Advertising Agency

Richard Lewis Corp., Scarsdale, N.Y.—industrial and institutional products—Richard Byer, president.

THOMAS J. LIPTON INC.

Marketing Personnel

D.W. von Arx, senior vp-mktg
G.B. Boycks, vp-beverage div
J.W. Benson, vp-foods div
E. Ladendorff, vp-mktg, support and devel
Allen Carlson, director-dry mix beverage and new beverage prods
Franklin Claire, director, ready-to-drink beverages
Arthur Gonis, director, regular and herbal tea prods
David Bell, director, soups/meals
Angelo LaMantia, director, new food projects
Anthony Montuori, director, condiments/desserts
Daniel Morrison, director, pasta prods
Walton Adler, director, sales promo
Joseph Bradley, director, mkt rsch
Arthur Harckham, director, pkg design
Bruce Hoenig, director, TJL Media
Theodore Labiner, director, creative service
Max Ballard, genl mgr, frozen foods
Anthony Franke, director, foodservice
Richard Kundrat, director, mktg and sales, Flavor Tree

Advertising Agencies

SSC&B, New York—tea, Pripps Pluss, Lemon Tree mixes, Cup-a-Soup, Spatini spaghettic sauce, Good Humor, concentrate to bottlers—Harold V. Rover, senior mgmt officer; Donald L. Linton, mgmt super, Cup-a-Soup, loose tea and bags, flavored and herbal tea bags, specialty teas; Howard H. Becker, mgmt super-Spatini, Good Humor, Lemon Tree, concentrate to bottlers; Edward Parker, mgmt super, instant tea, tea mixes, Pripps Pluss, new beverages; Linda F. McCreight, acct super, Cup-a-Soup; Helen Runsdorf, acct super, Spatini, Good Humor, Lemon Tree, concentrate; Elizabeth J. Green, acct super, instant tea, tea mixes, Pripps Pluss, new beverages; Robert Nadelman, Bruce Kravetz, acct supers, loose tea, tea bags and specialty teas; Sharon Treacy, acct exec, Cup-a-Soup; Holly Macaulay, acct exec, Good Humor, Lemon Tree, concentrate; Candy Caciolo, John Hussey, acct execs, instant tea, tea mixes, Pripps Pluss, new beverages; Karen Wallerich, Robert Swanson, acct execs, tea bags, loose tea, specialty teas.

Young & Rubicam, New York—regular soup mix—John Hatheway, group director; Ed Concannon, acct super; Scott Singer, acct exec.

Bozell & Jacobs, Chicago—Pennsylvania Dutch egg noodles, Knox gelatin—Jerome Reshkin, Robert Immen, Joe Lepcewich, mgmt supers; Hank Barker, Britt Dudgeon, Todd Ford, acct supers.

Foote, Cone & Belding, New York—Wish-Bone salad dressing, Sunkist orange juice and fruit rolls—Charles Evans, vp-mgmt director; Tony Talalay, acct super, orange juice; Nancy Beck, acct super, fruit rolls; Denise Plaza, acct exec, orange juice.

Rumrill-Hoyt, New York—Flavor Tree fruit snacks—Mark Miller, mgmt super; Doug Heimbigner, acct exec.

Albert Jay Rosenthal & Co., New York—foodservice—Marvin Haas, acct super; Cece Marx, acct exec.

LAWRY'S FOODS

Marketing Personnel

R. Lance Hewitt, vp-mktg

Advertising Agency

Dailey & Associates, Los Angeles—Steve Chabre, mgmt super; Frank Farrell, acct super; Mark Leitner, acct exec.

NATIONAL STARCH & CHEMICAL CORP.

Bridgewater, N.J.

Marketing Personnel

W.K. Grubman, president
N.G. Marotta, F.L. Murphy, A.G. Battaglia, group vps
W.H. Stone, vp-genl mgr, indl starch div
T.F. Walsh, vp-genl mgr, food prods div
R.A. DeWolfe, vp-genl mgr, adhesives div
I. Cohen, vp-genl mgr, resins mgr
H.M. Barry, director, mktg communications and pr

Advertising Agency

Gilbert, Whitney & Johns, Whippany, N.J.—adhesives, flavorings, seasonings, specialty chemicals, resins, Permabond Intl—Paul W. Richartz, vp-acct super; Ed Flanagan, exec art director.

Union Carbide

	1982	1981
Sales	$9,061,000,000	$10,168,000,000
Earnings	310,000,000	649,000,000
Advertising*	83,699,800	90,000,000

*AA estimate

Union Carbide Corp., Danbury, Conn., the 69th largest national advertiser, reduced domestic advertising spending by 7% in 1982 to $83.7 million from $90 million in 1981. Sales in the company's industrial products registered considerable decreases, and even the consumer group, which in previous years had recorded large increases, was flat. However, products such as Eveready batteries, Glad line of plastic bags and wrap and Prestone automotive products contributed an increasing share of the company's profits.

Worldwide sales dropped 10.9% to $9.06 billion, while earnings registered an even sharper drop. Union Carbide earned $310 million in 1982, only 52% of its 1981 earnings of $649 million.

Sales by geographic segments also underwent some changes. U.S. contribution to total earnings declined from 69% to 67%. Europe, which contributed 10% of total sales, experienced a 7% drop in sales, though its operating profits increased by 16%. Sales in Latin America—8% of the total—showed no increase in 1982, but operating profits declined by 8%. One area that did show some increase was the Far East. Sales increased 1% over 1981, while operating profits increased by 3%. Canada, suffering from its worst recession in 50 years, experienced the most severe sales and operating profit declines among Union Carbide's international segments. Sales declined by 18% there, while the operating loss amounted to $22 million, contrasted with a $41 million profit in 1981.

Union Carbide's activities are divided into five major areas: Chemicals and plastics, gases and related products, metals and carbons, batteries/home and automotive products, and specialty products.

In 1982, chemicals and plastics sales declined 13% from the previous year. Prices for most products weakened in reaction to flagging demand. The company noted that average selling prices were down 2% in 1982, and operating profit of the segment declined by 72%.

It wasn't encouraging for gases and related products or metals and carbons either. Both segments registered declines in sales and operating profits.

The brightest performance came from Union Carbide's consumer-related home sales. Sales increased by 1% in 1982 over the 1981 level. Average domestic prices were 4% below those in 1981, while volume increased by 7%. The company notes that antifreeze business volumes were especially strong, climbing by 6% over 1981.

In 1982, Union Carbide spent $52.4 million in measured media, down 6.7% from the previous year. The lion's share of this went to network tv, which received $40.9 million or nearly 78%. However, network tv spending was down 3.5% from 1981. Spot tv, pegged at $4.0 million in 1982, was up nearly 18% over 1981, though still short of the 1980 level, $4.2 million. Spot radio expenditures were down by nearly 34%.

In other spending, ad expenditures in print dropped from its total share of 7% in 1981 to 6.7% in 1982, while outdoor advertising expenditures dropped from $491,000 in 1981 to $14,300 in 1982.

The largest portion of Union Carbide's budget was spent in promoting Eveready batteries. In fact, more than a third, or $21.2 million, of the company's measured media spending went to support the batteries, and, of that total, $19.5 million went to network tv. Glad products also received considerable ad support—$17.3 million in measured media. Once again most of it was placed in network tv.

Glad advertising continued to feature Tom Bosley as the spokesman for all Glad products, including the new Glad Deodorant Large Kitchen Garbage bags introduced in early 1982.

In addition, with the introduction of a line of products under the Glad Sheer Strength brand name, Union Carbide implemented a major new strategy to market its plastic bags. The Sheer Strength trash bags and large kitchen bag liners are made with the Union Carbide-patented linear low density polyethylene. This material, according to the company, allows the use of lower gauge film and still retain the puncture and stretch performance required by customers. The line of Sheer Strength products are priced to compete directly with private label brands.

During the year, Union Carbide continued to use Sunday inserts, direct mail and on-pack coupons to stimulate consumer awareness and purchase of its Glad line of products.

Measured media spending for the company's Prestone automotive products was up from $5.2 million in 1981 to $6.1 million, again most of it on network tv.

Prestone, which continues to be the No. 1 brand among antifreezes, continued to launch its in-season advertising campaign with the start of fall sports programing. A heavy schedule of Prestone commercials was aired during the Major League Baseball playoffs and World Series, as well as Sunday and Monday night network football telecasts.

Consumer promotion support for Prestone consisted of cash refunds, including a $2 cash refund offered during the peak selling season. Prestone Super Flush and the new Prestone Super Sealer products were also promoted with consumer refund offers.

Simoniz products received $639,300 in measured media spending, slightly below the amount allocated to it the year before. Simoniz products were advertised during tv sports programs and in magazines. In addition, a racing sponsorship program, including a Simoniz car in the Indianapolis 500, provided increased visibility and consumer recognition of the entire Simoniz brand. Consumer promotions consisted of cash refunds during the full year.

In mid-1983, Union Carbide announced the formation of a new group to help market its advanced technology and related services to the chemicals, plastics, oil and gas-processing industries. The group is being called the engineering and technology services group and comprises the company's newly formed engineering and technology services divisions, catalysts and process systems division and Unipol systems department.

Among other noteworthy events, Union Carbide joined three other companies—General Motors Corp., Aluminum Co. of America and Minnesota Mining and Mfg. Co.—to file suit in federal court in 1983 to block the Federal Trade Commission from continuing to release financial reports that the companies termed confidential.

The company, along with the others, claims that the FTC is violating laws and its own previous rules in giving certain outside consultants access to confidential corporate data. The FTC routinely hires consultants under its Line of Business Report Program to compile data on product sales, costs and profits supplied by 450 corporations. However, the Line of Business Report Program has been suspended since 1981 because the FTC is evaluating whether it can be justified on a cost-benefit basis.

Udayan Gupta

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$1,167,700	$2,112,900
Magazines	754,100	406,700
Farm publications	1,614,900	1,477,100
Spot tv	4,017,000	3,398,000
Network tv	40,914,300	42,389,700
Spot radio	3,838,900	5,795,900
Network radio	104,400	122,200
Outdoor	14,100	491,100
Total measured	52,425,400	56,193,600
Unmeasured	31,274,400	33,806,400
Estimated total	83,699,800	90,000,000

Marketing Personnel

Corporate

J.W. Goetz, director-corp communications
R.E. Bauman, gen mgr-mktg and special events

Divisions

W.J. McDermott, director-adv/sales promo, home auto prods
G.D. Klein, mktg mgr-adv, battery prods div
J.A. Bruorton, mgr-adv and mktg admin, electronic div components dept
J.S. Witemeyer, mgr-communications, silicones urethane intermediates div
A.R. Lehman, mgr-mktg services, carbon prods div
J.D. Secor Jr., mgr-communications, Linde div
J.A. Ring, mgr-communications, specialty chemical and plastics div (specialty chemicals and polymers)
P.J. Lavelle, mgr-communications, specialty polymers composites
W.E. Mainella, mgr-communications, coatings materials div
G.G. Weingardt, mgr-communications, ethylene oxide derivatives div
J.A. Moore, mgr-communications, ethylene oxide/glycol div
L.A. Agnello, director-communications, polyolefins div
E. Jusko, mgr-communications, engineering and hydrocarbons div
R.A. Mariani, mgr-communications, solvents and intermediates div
James F. Haskins, mgr-communications, agricultural prods
John Crane, mgr-communications, metals div
H. Garcia, prod/adv mgr, molecular sieves, engineering prods div
C.H. Knopf, mktg communications mgr, engineering prods and processes, engineering prods div
R.W. Badger, mktg communciations mgr, cyrogenics equipment, engineering prods div
C.R. McKinsey, mgr-mktg services, coatings service, engineering prods div

Advertising Agencies

Young & Rubicam, New York—Linde div telephone directory adv.

Bozell & Jacobs, New York—corp issues.

STG Marketing Communications, Fairfield, Conn.—carbon prods div—George Crosby, vp-acct super.

Grey Medical Advertising, New York—medical prods div—Paul Chusid, president.

Fletcher/Mayo/Associates, Atlanta—agricultural prods div.

Needham, Harper & Steers, New York—chemicals and plastics—H.F. Berteau, acct super; Abby Mann, acct exec.

Poppe Tyson division of D'Arcy-MacManus & Masius, New York—chemicals, plastics, Linde div, carbon fibers—F. Messner, Howard Gauvain, Diane Frattine, W. Mustschler, acct execs.

Marquardt & Roche, Stamford, Conn.—engineering prods and processes.

J.P. Hogan Inc., Knoxville, Tenn.—chemicals & plastics—R.J. Luedeka, acct super.

Leo Burnett USA, Chicago—home and automotive prods, film-packaging div—Bill Haljun, mgmt director; Neil Lichtman, acct super; Paula McLeod, Guy Colton, acct execs, Glad prods; Hank Feeley, mgmt director; Rick Spatz, acct super; Mike Peters, acct exec, Prestone auto prods; John Phiper, acct exec, Simoniz car waxes.

Halfsies

Quaker Oats Co.
National introduction: January, 1983
Agency: AdComm, Chicago

"I'M EATIN' LESS SUGAR AND LOVIN' EVERY BITE!"
Half
1/2

Garrison Jasper, Rose & Co., Indianapolis—coatings service, cyrogenic equipment, engineering prods and Linde div—Tom Jaspar, Jim Gray, acct execs.

Anderson, Dunston & Helene, Edison, N.J.—Linde and engineering prods div—Mat Pfeier, acct super.

Manning & Associates, San Diego, materials group, electronics div—D. Manning, acct mgr.

Downs Group, Charlotte, N.C.—electronics div—Tyler Glen, acct exec.

William Esty Co., New York—battery prods div—R. Van den Bosch, senior vp-mgmt super; S.E. Moynahan, vp-mgmt super; W. Beebe, vp-acct super; D.J. Jordan, senior acct exec; J. Kensil, M.J. Nelson, P. McCormick, acct execs.

U.S. Government

	1982	1981
Sales	—	—
Earnings	—	—
Advertising*	$205,453,100	$189,026,000

*AA estimate

For the second consecutive year, growth in total U.S. government ad spending was held to single digit levels, an 8.7% rise to $205.5 million in 1982. While the U.S. government advertising presence is smaller than that of governments in several other Western nations, the federal ad spending total was still large enough to make the government the 29th largest advertiser in the nation.

Early in the Reagan administration, Reaganites made government promotional spending a whipping boy, and they have succeeded in curbing the dollar flow going into some minor public service advertising efforts. Key Office of Management & Budget officials who led that cost-cutting purge have moved on to new assignments, or out of the government, since then. And the Reagan team is selectively backing new public service ad ventures it finds philosophically agreeable—a million dollar Department of Transportation seat belt ad campaign, for example, in preference to mandatory airbag or "passive" restraint regulations.

The continuing upward push on governmentwide ad spending is not amenable to easy control, however, because of the military's continuing need to "sell" the volunteer armed services to young adults and their parents. Other major influences on government ad spending are the decisions made by marketing managers at the Postal Service, which is spending big to maintain its place in the hotly competitive, premium-price, next-day delivery service, and at Amtrak, which is trying to hold its own against cut-rate competition from short-haul airlines.

Further enlarging the government's ad outlay this year are decisions to have the Treasury Department's Bureau of the Mint sell gold and silver coins to the public. Gold investors previously bought and traded foreign gold pieces, such as South Africa's Kruggerrand, because the U.S. had no similar product in the market.

More significantly for ad spending levels, Congress has directed the Mint to aggressively market Olympic commemorative coins as a fund raiser for the 1984 games in Los Angeles.

Military recruiters enjoyed particularly good "sales" in 1982 as the poor economy drove more high school graduates, the prime target for the armed services, to the recruiting office. Record percentages of high school grads signed up, but some military marketing men are already wondering how long their success can last if the economy continues to turn around this year and youth unemployment takes a dip.

With enlistments up, growth in armed services ad budgets moderated to 5.6% in fiscal year 1982, for a total of $155.5 million. Another modest 5% increase is expected again in 1983. By comparison, the 1981 total was 15.8% larger than 1980.

The military ad budget line up (1982/1983) looks like this:

- The Army (N W Ayer ABH, New York), with the largest manpower needs, $81.6 million/$83.9 million, divided among the active Army, $60.8 million/$61.7 million, the Army Reserve, $14.5 million/$15.8 million, and the Army Reserve Officers Training Corps, $6.4 million/$6.4 million.
- Navy (Ted Bates Advertising/New York) $17.2 million/$16.5 million, but hoping for an increase next year.
- Marine Corps (J. Walter Thompson USA, Washington), $13.8 million/$16 million.
- Air Force (D'Arcy-MacManus & Masius, New York) $14.5 million/$15.3 million.
- Army National Guard, $5 million/$6.4 million and Air National Guard, $2.2 million/$2.3 million (both Needham, Harper & Steers, Washington).
- The Coast Guard, a Transportation Department unit in peacetime, $650,000/$975,000.

While the lion's share of Pentagon money is spent selling individual armed services, the Defense Department has been aggressively experimenting with a multiservice advertising approach. From a "test" program a few years ago, joint service ad spending, through Grey Advertising, New York, climbed to $18.2 million last year and $19.9 million this year. This fall, the Pentagon plans to field a major test that could help set the pattern of its future ad spending by gauging the relative effectiveness of various levels of joint vs. singleservice advertising in test cells around the country.

For 1984, all the military services are requesting only token budget increases from Congress.

U.S. Postal Service ad spending (Young & Rubicam, New York) has accelerated sharply in recent years, primarily because USPS refuses to concede volume to its horde of competitors in the premium overnight delivery service.

USPS ad spending jumped 33% last year to $20.2 million, and is heading much higher this year, perhaps to $28 million or more. While USPS won't disclose ad spending in support of its overnight Express Mail service, available estimates of measured media spending put the figure in excess of $11 million last year. Express Mail volume was 28.5 million pieces last year, producing $339.2 million in revenue, compared with 23.8 million pieces producing $269.7 million in revenue in 1981.

Other Postal Service mail products getting ad support include Priority Mail service, the new Electronic Computer Originated Mail (ECOM) service and Intelpost international mail. Significant amounts are spent in support of stamp sales to collectors, a business USPS has turned into well over $100 million in sales per year.

The recession continued to plague Amtrak last year. For the second consecutive year ridership slipped, reaching 19 million boardings in fiscal 1982, off 7.6% from 1981. Amtrak's peak, in the oil embargo year 1979, was 21.4 million. Volume improved this spring as the economy picked up, Amtrak said. Revenue figures for 1982 were not available.

Amtrak trimmed ad spending 5% during the year to $16.5 million, but the 1983 advertising expenditure is expected to rebound to $18 million or more. With new equipment running on its rails, Amtrak dropped its long running "America's Getting Into Training" theme in favor of "All Aboard Amtrak," with ads that link the railroad to the high-tech service provided by airlines.

Including the Bureau of the Mint campaigns, a series of other, smaller government ad campaigns added another $13 million to the ad spending total. Ad programs ranged from a $12,000 campaign to warn dairy farmers about the danger of brucellosis—a disease afflicting cattle—to $1.2 million budget from the government-funded Corporation for Public Broadcasting to finance tune-in advertising for Public Broadcasting System shows.

Not all government ad programs are directly funded by the taxpayers, however. The Postal Service receives only small government subsidies earmarked to keep rates down for particular classes of mail. Amtrak has revenues from ticket sales. The Mint has revenue from the sales of the coins. Other "quasi-government" units have revenue from the sale of government-backed insurance, for example.

STRAIGHT TALK
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TECHNOLOGY AT MARITZ
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[illegible]
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Leading the list of other government advertisers is the Federal Crop Insurance Corp., which spent $4.8 million for advertising in fiscal year 1982 through Burson-Marsteller, Chicago.

While some agencies and departments were able to wrangle more ad dollars in 1982, most saw a cut in the amounts of funds they were able to use for promotion. PBS' allocation from the Corporation for Public Broadcasting was trimmed from $3.5 million to $1.2 million because of lowered federal aid from Congress for public tv. The Internal Revenue Service ad budget was slashed in half, to $262,000. Its in-house-produced campaign informs taxpayers about tax tips.

The National Highway Traffic Safety Administration, part of the Transportation Department, reported no ad spending in 1982 after years of public service ad work. But it is working with Grey Advertising under a $500,000 contract for an automobile seat belt campaign and has a $249,000 contract with Metaphor, Los Angeles, to produce an anti-drunk-driving campaign.

Another multiyear government ad contract involves a three-year $1.2 million pact between the National Heart, Lung and Blood Institute and Action/Porter Novelli, Washington, for educational commercials on high blood pressure.

In its first year as a government advertiser, the Overseas Private Investment Corp., which writes government-backed political risk insurance to encourage U.S. investment in developing countries, spent $800,000 during fiscal year 1982 through Dancer Fitzgerald Sample, New York.

The Export-Import Bank, another government affiliated agency that provides financing and insurance for U.S. exporters, is considering a sizable ad campaign to promote its services to business.

Despite other budget reductions, the Advertising Council maintained its level of activity in the past year. The Ad Council's government clients spent just over $1.3 million for seven campaigns, including the Smokey the Bear fire prevention campaign (Foote, Cone & Belding), U.S. Savings Bonds (Leo Burnett Co.), the Treasury Department's direct deposit campaign (McCann-Erickson) encouraging electronic deposit of Social Security and other government checks. New Advertising Council campaigns in development include a health promotion/disease prevention campaign for the Health & Human Services Department (Kenyon & Eckhardt) and a drug awareness campaign, also for HHS, through Needham, Harper & Steers. Budgets for each are expected to run about $200,000.

There are seldom changes among ad agencies handling major government accounts, although government contracting rules require the business to be put out to bid on a regular basis, usually every three years. In completed bidding reviews this year, the Pentagon's joint service advertising programs awarded incumbent Grey Advertising a new three-year contract. But the Coast Guard dropped Uniworld after one contract year. A successor is to be named before this summer is over.

Two other major ad assignments under review this summer were the Postal Service (Y&R incumbent) and the Army National Guard and Air National Guard (NH&S/Washington, incumbent).

Richard L. Gordon

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$6,753,600	$6,636,690
Magazines	31,868,000	19,314,690
Spot tv	18,246,900	9,139,600
Network tv	27,139,600	26,838,960
Cable tv	316,000	293,800
Spot radio	7,342,500	9,478,901
Network radio	9,213,000	13,760,951
Outdoor	871,900	821,236
Total measured	101,751,500	86,284,908
Unmeasured	103,701,600	102,741,092
Estimated total	205,453,100	189,026,000

***AA estimate of unmeasured media includes $20 million spent by regional and local military recruiting commands, much of it in media; at least $3.8 million for direct mail, and other amounts for production of ads for paid and public service use, agency fees, preparation and printing of posters, brochures, displays, films, transit and outdoor materials, unmeasured local (including military installation) publications, plus college, school, and other institutional publications.**

DEPARTMENT OF DEFENSE
Marketing Personnel

Lawrence J. Korb, asst secretary for manpower, reserve affairs and logistics

G. Thomas Sicilia, director of accession (recruiting) policy

U.S. Army/Army Reserve

Asst secretary for manpower and reserve affairs—vacant

Lt. Gen. Robert M. Elton, deputy chief of staff for personnel

Maj. Gen. Jack O. Bradshaw, commanding general, U.S. Army recruiting command

Col. William S. Graf, director-advertising and sales promo, U.S. Army recruiting command

U.S. Army ROTC

Maj. Gen. John P. Prillaman, deputy chief of staff for ROTC, U.S. Army Training and Doctrine Command

Col. Michael C. Schmidtman, chief-adv and media division

U.S. Navy

Capt. E. A. Davis, director-recruiting adv

Cdr. Dugald L. Gillies, director-adv operations div

U.S. Marine Corps

Brig. Gen. C. E. Mundy Jr., director-personnel procurement div

Lt. Col. J. A. Cirie, head-mktg branch

U.S. Air Force

Brig. Gen. Winfield S. Harpe, commander, U.S. Air Force Recruiting Service

Col. Hubert C. Moore, director-Air Force recruiting adv and publicity (retiring Oct. 1, 1983)

Lt. Col. Melvyn Cummings, deputy director-Air Force recruiting ad and publicity (becomes director, Oct. 1, 1983)

Transportation Department

Capt. Stevens Smith, chief, recruiting div

Lt. Cmdr. Charles Winfrey, chief, recruiting adv branch

Joint Recruiting

Lynn Lucchetti, director

Maj. Yolan Laporte, USAF, chief-joint adv operations

Maj. George Morton Jr., USA, financial mgmt officer

Capt. George Last, USMC, program adv manager

Advertising Agencies

N W Ayer, New York—Army, Army Reserve, Army ROTC—H. Nelson vanSant, exec acct director; Lamarr LeMonte, mgmt super; William P. Kelly, acct super-ROTC; James Stone, acct super-Active Army; Ephraim Goldstein, acct super-strategic planning and rsch; Richard May, mgmt super; David Harris, acct super-Army Reserve; Phoebe Moore, acct super-direct mktg and pr; Richard Tobin, acct super-Army field force; Joseph Petito, acct super-budget and admin.

Sosa & Associates, San Antonio—Army minority recruiting—Lionel Sosa, president.

J.P. Martin Associates, New York—Army ROTC minority recruiting—Joel P. Martin, president.

Ted Bates Advertising, New York—Navy—Jack Costello, mgmt rep; Phil Weinseimer, acct director.

Grey Advertising—joint recruiting program— John G. Marder, mgmt rep; Harvey Robinson, mgmt super; Gary Niebauer, mgmt super; Len Susman, acct super; Sherman Landwehr, senior account exec.

D'Arcy-MacManus & Masius, New York—Air Force—Fred Harvey, mgmt rep; Doug Laughlin, acct super; Jim Bridges, business mgr; Lisa Welch, acct exec.

J. Walter Thompson USA, Washington—Marines—John R. Wood, mgmt super; Hal Chase, acct super.

Needham Harper & Steers/Washington—Army and Air National Guards—Chris Shead, mgmt rep; Phil Trigg, acct super; Ron Owens, acct super-Army Guard; Cliff Irons, acct super, Air Guard; Bob Demuth, field services super.

U.S. POSTAL SERVICE
Marketing Personnel

Gordon Morison, asst postmaster general-customer services

John Wargo, director-commercial mktg

Gary Stevens, mgr-adv services branch

Larry McCarthy, adv admin mgr

Advertising Agency

Young & Rubicam, New York—Fred Baxter mgmt rep; Richard Kabbon, acct super, philately; Bud Hall, acct super, Express Mail; Phil Maloney, acct exec-philately; Bryce Ott, acct exec-Express Mail; Peter Gordon, acct exec-Express Mail.

AMTRAK
Marketing Personnel

William S. Norman, vp-mktg and corp planning

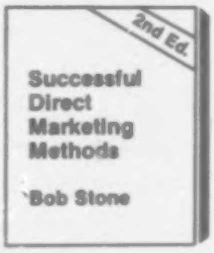
Robert E. Gall, vp-transportation mktg

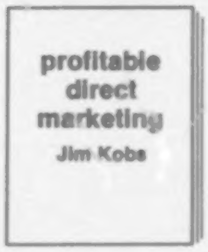
William Castleberry, director-adv

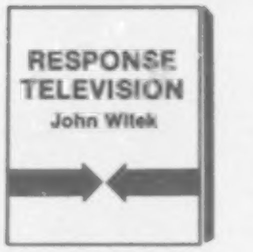
Advertising Agency

Needham, Harper & Steers, New York—

Crain Books means direct marketing.







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John Witek

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Charge Card # ______________________________)

Signature ______________________

Name ______________________

Company ______________________

Address ______________________

City/State/Zip ______________________

Telephone # (____) ______________________

John Gellatly, mgmt rep; Warren Ruden, acct super.

TREASURY DEPARTMENT
BUREAU OF THE MINT
Marketing Personnel

Olympic medal sales—Scott Mackenzie, asst to the Treasurer

U.S. gold sales—Francis Frere, asst director-marketing

Advertising Agencies

D'Arcy-MacManus & Masius, New York—George Karalekas, co-project director.

Poppe Tyson, New York (a DMM subsidiary)—Fergus F. O'Daly, co-project director.

PUBLIC BROADCASTING SERVICE
Marketing Personnel

Neil B. Mahrer, senior vp—mktg, information services, operations and personnel

Dan Agan, director-marketing and information services.

Advertising Agency

Goldberg/Marchesano & Associates, Washington—Norman Goldberg, mgmt rep; Hugh Fanning, acct super.

Volkswagen of America

	1982	1981
Sales*	$15,200,000,000	$15,400,000,000
Earnings*	(122,000,000)	57,988,700
Advertising**	98,000,000	81,000,000

*Volkswagen Group, worldwide
**AA estimate, VW of America

Volkswagen of America, Troy, Mich., a subsidiary of Volkswagenwerk AG, Wolfsburg, West Germany, increased its advertising spending in 1982 by 21% to roughly $98 million, making it the 61st largest national advertiser.

The company struggled to reposition its line with campaigns promoting its German heritage, high technological standards, and sportscar performance. Market share continued to decline through mid-1983, although sales figures for May and June reflected an upturn the company hoped would begin a long-term trend.

The parent company's sales dropped to $15.2 billion from $15.4 billion, with a net loss of $122 million for the year. Volkswagen of America contributed to the parent's woes by registering a loss of $142 million for 1982. Parent company chairman Carl Hahn recently told stockholders, however, that the subsidiary turned a slight profit for the first six months of 1983.

Sales dropped 40% for the year; VW delivered 218,879 cars to buyers. Domestically produced Rabbits suffered the sharpest sales drop, down to 91,166 from 162,445 the year before. Sales of imported Audis slipped a bit to 45,954, and imported VWs—including the Jetta, Scirocco and Quantum—were down to 67,352 from 82,173. Only the imported Porsche line registered an increase, to 14,407 from 11,241.

According to the annual report, the company's over-all weakness in 1982 stemmed from the continuing world recession and the slack demand the recession created in North American markets. The parent company claims in the report that in 1982, "our subsidiary company was for the first time seriously affected" by "the decline in volume of vehicle sales on the American automotive market."

To correct its marketing problems, the company continued to turn away from its image as a maker of domestic economy cars, preferring to portray itself as a maker of foreign performance cars. The heaviest ad dollars went to Rabbit, which remains the most important model in the company's U.S. plans. Quantum, VW's flagship model, received increased ad support vis-a-vis the other models as the year went on and will receive even more in 1983.

Two new Rabbit models, the GTI and the Wolfsburg Edition, became available in 1982 and 1983. GTI, advertised as "a wolf in sheep's clothing," features an array of high-performance sports equipment. The Wolfsburg sedan includes a discounted package of amenities, including power steering and wider wheels. A Wolfsburg convertible is also available.

All Rabbit models also received some general upgrading, according to company spokesman Ted Kade.

Also, a five-cylinder version of Quantum became available in the U.S. early in 1983, completing that model's introduction into the American market. The Dasher disappeared from the U.S. market in the 1982 model year.

VW also got a new president in 1982, when Noel Phillips replaced James McLernon. Mr. Phillips was serving as managing director of a South African auto distributor at the time of his appointment. He had been Volkswagen of America's executive vp for sales and marketing from 1978 to 1980.

Said James Fuller, vp of the VW division: "We have to be consistent in our strategy, and we think it will take a minimum of three years to accomplish our awareness goals."

There has been some change, though: Lately, VW ads have focused on value and sportiness, replacing the strict emphasis on technology that characterized most of 1982's ads. A two-page spread in *Newsweek*, for instance, featured a black-&-white page with a photo of the Rabbit in a stark, sleek setting and the headline, "It's a marvel of German engineering." The facing page featured a counter-headline, "Who cares?", illustrating a four-color photo of a young couple tooling through the countryside in a Rabbit convertible with the top down.

A July *Time* ad reflected what Robert Rees of Doyle Dane Bernbach said will be "a lot more stress on value and durability" in the future. The ad played up Rabbit's affordability in a bold headline, mentioning in smaller print that VW cars are "German designed, German engineered". The tag line, "Nothing else is a Volkswagen," remains in use, as it has for almost two years.

VW has sold its Sterling Heights, Mich., plant to Chrysler. The plant, a converted missile factory, was never actually used to make Volkswagens. The remaining U.S. plant, at Westmoreland, Pa., laid off more than 1,500 employes, closed for two weeks, and reopened with one shift of workers producing 470 Rabbits per day, down from two shifts and 650 Rabbits.

It is rumored that VW and Chrysler soon will announce a joint production venture at the Westmoreland plant. Spokesman Kade's only comment: "We are not going to be selling the plant and it is not going to be taken over by Chrysler. We have been in discussion with Chrysler on a wide range of business opportunities." Chairman Carl Hahn recently said: "We are convinced that it is the right thing to be represented by our own production plant in the USA in order to be prepared for all eventualities."

The sale of the Sterling Heights plant contributed to VW's decision to abandon its longtime goal of a 5% U.S. market share. "We were talking about 5% of a healthy market, with sales around 500,000 and two U.S. plants in operation," said Mr. Kade. "Selling the second plant changes the whole picture." While obviously unhappy with its 2.4% market share in 1982, VW has not set a new target figure.

The introduction of the Porsche 944 and the Audi 5000S were the chief developments in the Porsche-Audi line for 1982 and early 1983. The 944, positioned as an affordable performance car, has been selling very well, leading P-A marketing manager Richard Weidman to predict total 1983 sales of 20,000 for the Porsche line. Also contributing to the line's continuing growth are the recently introduced 911 Cabriolet, a convertible, and the 928S, a revamped 928 featuring a much more powerful engine. Porsche relied almost exclusively on national print advertising, and plans to do so for the foreseeable future.

The Audi 5000S, a 1984 model introduced in June, "is positioned as a German luxury, high-tech, advanced tech automobile," said Mr. Weidman. Priced at $15,800, the 5000S is pictured by the company as competition for Mercedes, Saab, Volvo and other luxury cars in the $10,000 to $12,000 market and up.

A six-week tv campaign and a 90-day national print effort introduced the 5000S to U.S. markets. The ads focus on engineering, aerodynamics and the model's selection by auto journalists as Europe's "Car of the Year."

Several new Audi models will be on

sweep'
stakes,
plus

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Because there's more to sales promotion than sweepstakes and games, at Don Jagoda Associates we do more than just create and execute sweepstakes and games.

re'bates

We work with advertisers and their agencies on planning and administering refund/rebate offers. We screen and verify all responses, very painstakingly, and return cash or coupons according to the terms of the offer. We're very careful when it comes to handling other people's money.

in·cen'tives

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Looking for premiums or self-liquidators? We can help you there too. Our premium buyers shop the world looking for the right items to produce the right responses.

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And, with our ever expanding facilities, we have streamlined and expanded our capabilities for fulfillment. Getting the right merchandise to the right person on time, intact, is as important as getting people to respond to your offer.

sweep'stakes

Finally, if you decide to get involved in sweepstakes and games, the most visible tip of the promotional iceberg (in five years, sweeps have almost tripled in number), our more than 21 years of experience can be invaluable. We'll help you conceptualize, administer and—through our National Judging Institute—judge your promotion. We go out of our way to help our clients avoid the myriad pitfalls that can befall the unwary promoter.

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sweep'
stakes

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the market for 1984, including a 4000 Quattro: A 4-door sedan with all-wheel drive, smaller than the 5000S. A 5000 wagon and a turbo gas 5000 (supplanting a diesel now being withdrawn from the market) will also be on the market. Porsche's major introduction will be a 200-horsepower edition of the 911, called the Carrera.

VW moved its sales and marketing staff from Englewood Cliffs, N.J., to Troy, Mich., early in 1983, consolidating its administrative operations in the Detroit area. Doyle Dane Bernbach, the New York-based agency which has long handled VW, opened a Detroit office in March, largely to service VW. Robert Rees, who had been executive vp on the account in New York, is president of the new office.

According to Leading National Advertisers, VW spent just under $20 million to advertise the Rabbit line in 1982. LNA totals for other models: Audi, $11.4 million; Jetta, $4.5 million; Scirocco, $4.2 million; Porsche, $8 million; Vanagon, $2.7 million. VW spent $9.3 million to introduce the Quantum; that model will receive even greater support in 1983.

Jeremy Feigelson

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$16,025,300	$8,982,000
Magazines	28,599,500	24,473,500
Spot tv	17,156,500	13,148,400
Network tv	23,028,200	21,225,100
Spot radio	2,104,400	605,900
Outdoor	53,200	543,000
Total measured	86,967,100	68,978,700
Unmeasured	11,032,900	12,021,300
Estimated total	98,000,000	81,000,000

Marketing Personnel

Peter Weiher, exec vp-sales & mktg
James Fuller, vp-VW div
Richard Marcy, mgr-VW mktg
Peter Fisher, vp-P/A div
Michael Kaptuch, VW adv mgr
Richard Weidman, mgr-P/A mktg
James Lawler, adv mgr-P/A div
George Pizzo, creative adv mgr, P/A div

Advertising Agency

Doyle Dane Bernbach, Detroit—Robert Rees, president; Willie Hopkins, senior vp-mgmt super; Al Steiner, vp-mgmt super; Sal Triano, vp-acct super, VW; Jack Cooney, vp-acct super, P/A; Ron Rogginger, vp-acct super, VW; Christopher Ally, acct super, VW; Lawrence Wallace, acct super, P/A.

Hiram Walker Resources Ltd.

	1982	1981
Sales*	$2,759,100,000	$2,455,202,000
Earnings*	80,257,350	208,483,360
Advertising**	44,448,900	42,283,000

*Fiscal year ends June 30
**AA estimate

Hiram Walker Resources Ltd., Toronto, the 98th largest national advertiser, raised advertising expenditures 5% to $44.4 million, compared with $42.3 million in 1981. The company, which has holdings in distilled spirits, wines, cordials and energy production, increased revenues 12% to $2.76 billion. But because of declining distilled spirits sales, downward trends in oil and gas prices and the shutdown of an overseas drilling operation, the holding company's net income plunged 62% from 1981 levels, to $80.3 million.

Of its three operating segments, the natural resources division gave Hiram Walker Resources the most trouble during 1982. For the second straight year, revenues in this division were up but income was down 50% to $33.8 million. The company drilled 20% fewer oil and natural gas wells during 1982, and production of crude oil and natural gas liquids was about equal to 1981.

In 1982, Home Oil sold $224 million worth of properties, cutting net income by $143.6 million. The move was considered necessary to help consolidate the lagging business.

In the U.S., Home participated in 78 successful exploratory and develop-

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100 LEADERS

Odds and Ends

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Saves you gas and oil
Treat the inside of your car as well as you treat the outside.

Mobil Corp.

Snack Mate
Real Cheese. Real Delicious.
Make It Your Picnic Partner.

Nabisco Brands

Mushrooms Go With Everything
Campbell's
FARM FRESH
Mushrooms

Campbell Soup Co.

FLEET BUYERS! ONLY DODGE OFFERS A DOUBLE-BARRELED SAVINGS PROGRAM PLUS AMERICA'S LOWEST-PRICED FULL-SIZE PICKUP.
RAM TOUGH

Chrysler Corp.

Taste is all it takes to switch to Jim Beam.

American Brands

Keeping the faith

In the recessionary economy of recent years, more than one believer in advertising has encouraged marketers to *increase* ad spending instead of cutting back. The companies that follow certainly held firm. They even increased their ad budgets in 1982 despite suffering from sales levels that were lower in 1982 than in 1981.

- Colgate-Palmolive
- CPC International
- Dart & Kraft
- Ford Motor Co.
- General Motors Corp.
- Gulf & Western Industries
- ITT Corp.
- Mobil Corp.
- Nestle Enterprises
- Nissan Motors Corp.
- Pan American
- Ralston Purina Co.
- Revlon Inc.
- Volkswagen of America
- Warner-Lambert Co.
- Wm. Wrigley Jr. Co.
- Xerox Corp.

Shaken faith

But for every action, there's a reaction: There were those companies that cut their ad spending even though they managed to register sales gains in 1982. They were as follows:

- Brown-Forman Distillers
- Chesebrough-Ponds
- Chrysler Corp.
- Clorox Co.
- Du Pont
- Esmark Inc.
- Nabisco Brands
- RCA Corp.
- Richardson-Vicks
- Time Inc.
- UAL Inc.

What goes up . . .

As the year 1982 opened, a number of companies among the 100 Leaders, several of them selling leisure and entertainment products, geared up for some heavy ad spending. The following companies recorded ad spending increases of more than 50% in 1982, compared with their 1981 levels:

• Stroh Brewery Co.	243.2%
• Pan American	105.7
• Mattel Inc.	97.0
• IBM Corp.	84.3
• Mazda Motors	73.6
• Campbell Soup Co.	70.9
• R.J. Reynolds	65.0
• 20th Century-Fox	54.8
• Mars Inc.	53.1

In the case of Stroh and Reynolds, of course, a great part of the increase came through mergers with Jos. Schlitz Brewing Co. and Heublein Inc., respectively.

. . . can come down

On the other side of the ledger, there are those companies who retrenched, taking a scythe to their ad budgets. The following companies cut their ad spending by more than 10% in 1982 from 1981 levels:

• Loew's Corp.	−27.0%
• RCA Corp.	−23.3
• Richardson-Vicks	−13.2
• American Brands	−12.0
• General Foods	−11.8
• Du Pont	−11.5
• Chrysler Corp.	−10.4
• UAL Inc.	−10.3

ment wells—the company holds a 25% interest in the major discovery of a well in Wyoming.

The company's gas utility operations, headed by Consumers' Gas Co. Ltd., a Canadian operation, showed a 26% increase in revenues, from $911.9 million in 1981 to $1,154 million in 1982. Earnings rose even more subtantially—65%—as it increased to $147.8 million from $89.5 million.

Hiram Walker's distilled spirits operations had a relatively flat year as revenues in 1982 totaled $1.165 billion, down slightly from $1.196 billion the previous year. Earnings increased 1.6% to $223 million.

Along with others in its category, Canadian Club has been forced to fight a continuing battle against the drop in whisky consumption. While CC dropped from seventh to ninth in the sales rankings of top liquor brands sold in 1982, the largest share of Walker's measured media spending for distilled spirits continues to go to Canadian Club with $12.4 million, up 9.5% from 1981.

"Our sales were down about 5% during 1982," says Steven Nadelberg, the company's senior vp-marketing director. "Not that it's good to lose sales, but we've had some of the smallest losses of any whisky. In other words, everybody's losing right now."

In 1982, CC departed from its usual "find the case" promotions to an advertising campaign using the theme, "The best in the house."

The treasure chest campaigns, however, may not be gone for long. CC recently completed its latest sweepstakes, a $100,000 in Canadian gold giveaway, started in March, 1983. Mr. Nadelberg says the results from the $2 million campaign were pleasing. The sweepstakes' 6 million entries were the biggest response to a distilled spirits sweepstakes, he claims.

The brand got an unsolicited boost from country singer Merle Haggard, who wrote a song about his favorite brand. Mr. Haggard also made the "Guinness Book of World Records" in 1982, buying the world's biggest round of drinks—5,100 shots of Canadian Club at a cost of $12,000 at Billy Bob's, a famous honky tonk in Ft Worth, Tex.

Although there is an apparent market trend toward buying less expensive whiskies—in response Seagram's V.O. is dropping its proof from the traditional 86 to 80 proof—Hiram Walker has decided to keep CC a premium brand.

"We feel that if you drop the proof, you drop the the quality," says Mr. Nadelberg. "Although there is a limited trend toward buying lower quality whisky, we feel that it would do a lot more harm than good to reduce the proof. From our vantage, Seagram's move creates less competition for us, because we're going to remain a premium product."

CC is running more advertising, particularly in outdoor, directed at black consumers, as well as Hispanics.

Walker's Ten High bourbon whisky ranks No. 23 in 1982 sales of top liquor brands selling 1.76 million 9-liter cases—a drop from No. 22 in 1981 with 1.95 million cases sold. Ad spending increased to $476,300 in 1982, from $205,800 in 1981.

Hiram Walker moderately increased support to Lauders Scotch whisky by 5.7% to $681,000.

Walker's brandy ranked No. 22 in sales of top liquor brands selling 1.76 million 9-liter cases, up from No. 25 with 1.703 million cases in 1981.

Media spending for Booth's High & Dry gin dropped 27% to $558,100 in 1982. Within the company's growing line of cordials were the year's star performers, as they capitalized on the increase of consumer interest and awareness of cordials and fine liqueurs.

While Walker increased media support for cordials by 16% to $2.7 million in 1982, it was far below the 44% jump of 1981.

Continuing its leadership of America's cordial line—it has 35 brands—the company added Sambucca—an anise flavored cordial—and Cranberry Cordial.

Walker supported the Cranberry Cordial with four-color ads in *People*, *Cosmopolitan* and other magazines.

In the liqueur category, Walker's Kahlua continued to be the largest selling brand in Canada and the U.S. The coffee-flavored liqueur ranked No. 27 in sales of top liquor brands with more than a million 9-liter cases sold. Kahlua was up 3.2% over 1981, to 1.6 million cases sold. The coffee-flavored liqueur had an ad budget of $4.7 million in 1982, a 33% jump in spending compared with 1981, which in turn was 37% higher than in 1980. Most of the spending went to magazines—including *Bon Appetit* and *Southern Living*—and were directed at a young, affluent audience.

For other liqueurs (all products of W.A. Taylor & Co., Miami, a wholly owned subsidiary of Walker): Drambuie received about $2.3 million in ad support, up 10%, with most of it in magazines; Venetian Cream, which trails Bailey's for the second consecutive year, had its media budget slashed 96% to $41,400; Peter Heering was down 31% to $99,500; Praline, introduced in 1981, dropped 30% to $1 million in 1982, and Tia Maria received $2.3 million in outdoor and magazine advertising, down 12% from 1981.

Courvoisier cognac, another brand in the Taylor Co. line, increased spending 46% to $3.3 million in 1982.

Makers Mark bourbon, a $750,000 account handled by Doe-Anderson Advertising, Louisville, and marketed in Indiana, Kentucky and Tennessee, by Taylor, expects to go to national distribution in 1983.

Walker's Maidstone Wine & Spirits Co., a Los Angeles-based importer, stepped up its outdoor campaign in 1982 with 30-sheet outdoor boards. Roy Stevens, president of Maidstone, said advertising aimed at blacks will appear either in late 1983 or early 1984. The company is already testing the Hispanic marketplace, stepping up Hispanic-oriented advertising by 5% during 1982, with plans to increase that amount in 1983.

Another division, Fredrick Wildman & Sons, New York, handles premium wines. Its only advertised brand is Moreau Blanc, a dry French white wine in the medium-high price range. Many of the Wildman wines are in the $30-to-$40 a bottle category in restaurants, and $20 in stores. Much of Wildman's advertising is in trade magazines—up 52% to $124,600 in 1982—although it plans to start an awareness campaign soon in *Fortune*.

Theodore J. Gage

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$1,599,100	$2,084,300
Magazines	23,652,400	23,230,400
Spot tv	20,100	82,000
Outdoor	8,931,800	7,128,700
Total measured	34,203,400	32,525,400
Unmeasured	10,245,500	9,757,600
Estimated total	44,448,900	42,283,000

HIRAM WALKER LTD
Marketing Personnel

Orvall R. Crabbe, president
Stephen Nadelberg, senior vp-mktg director
Gerald C. Gianni, senior vp-natl sales mgr
William R. Beusching, vp-natl cordial mgr
Robert W. Owen, vp-director admin
Bob Thomas, vp-mktg devel mgr
Ralph K. Pfeiffer, director, natl accounts
Alan Abrams, brand mgr, C.C. and all other noncordial brands
Sandra Weisenauer, brand mgr, cordials
Gerald Simpson, director-mktg services
Douglas H. Wright, mktg services mgr
Harvey E. Schwartz, vp-eastern reg. mgr
Ronald W. Kern, metropolitan New York mgr
Gerald J. Varno, vp-southeastern div mgr
H. Franklin Jacques, southwestern div mgr
Rolland R. Gillham, central div mgr
Edward J. Grossman, metropolitan Chicago div mgr
Stephen Eskoff, vp-western div mgr
Jules J. Sullivan Jr., vp-control states sales mgr
Robert L. Norbeck, eastern control states sales mgr

Advertising Agencies

Lockhart & Pettus, New York—Canadian Club, Amaretto, cognac—Keith E. Lockhart, president; Theodore D. Pettus, exec vp-creative; Ronn D. Harris, vp-director of client services; Robert McVeigh, vp-chief financial officer.

McCaffrey & McCall, New York—Canadian Club, Hiram Walker cordials and fruit flavored brandies, Praline liqueur, Hiram Walker brandy—Norman S. Freedman, mgmt super; William A. Metzger, acct super; Patsi Vaughn, acct exec; Ellie Weld, acct exec.

Simons Michelson Zieve, Troy, Mich.—Two Fingers tequila, Ten High bourbon,

The SFM Holiday Network 1984

LES GIRLS
MGM

LOVE ME OR LEAVE ME
MGM

BIG CIRCUS
Lonmar

THREE LITTLE WORDS
MGM

BEAU BRUMMEL
MGM

YANKEE DOODLE DANDY
MGM UA

MERRY ANDREW
MGM

WARRIORS
Lonmar

FRIENDLY PERSUASION
Lonmar

STUDENT PRINCE
MGM

Celebrating its seventh consecutive year, The SFM Holiday Network has coverage in 90% US TV HH, clearance in over 170 markets, endorsement from the National Education Association, backed with the finest promotion materials, and is still, the #1 all-family advertising vehicle.

For more information contact your SFM representative
SFM Entertainment/Division of SFM Media Corporation
1180 Avenue of the Americas
New York, N.Y. 10036
212 790-4800

100

Lauder's scotch, Imperial blended whisky, Walker's Deluxe bourbon, Walker's Northern Light Canadian, Royal Canadian, Hiram Walker's Crystal Palace gin, Hiram Walker's Crystal Palace vodka—James A. Michelson, president; Dennis Zinchook, acct exec.

Sosa & Associates, San Antonio, Tex.—Canadian Club—Lionel Sosa, president; Howell D. Boyd, exec vp.

Warner Communications

	1982	1981
Sales........	$3,989,985,000	$3,237,153,000
Earnings.....	257,811,000	226,493,000
Advertising*..	232,228,100	159,000,000

*AA estimate

Warner Communications, New York, the 25th largest national advertiser, increased its advertising last year by a hefty 46% from 1981 levels, to an estimated $232.2 million.

The major reason for the boost in ad spending is the same five-letter word that is causing most of the problems plaguing the entertainment and communications conglomerate: Atari. The disclosure last Dec. 8 that sales of the division's videogames had collapsed sent corporate fortunes reeling.

The news meant that while Warner still managed to achieve a 23% gain in sales last year, almost $4 billion, earnings rose just 14%, to $257.8 million. During the days they couldn't meet the surging demand for Atari's products, Warner execs had confidently predicted 1982 earnings would top those of 1981 by 40% to 50%.

And the bad tidings have continued into 1983. Atari lost $45.6 million in the first quarter on a sales decline of 21.8%, forcing Warner into the red to the tune of $18.9 million. Atari lost an additional $310.5 million in the second quarter on a sales decline of 48.6%, again turning over-all corporate profits to losses.

As if all this weren't enough, other Warner holdings have not exactly turned in stellar performances. Its film division has produced no mega-hits on the order of "Return of the Jedi" or "Trading Places." In recorded music, rival CBS has toppled Warner from the No. 1 spot in domestic sales, in part, ironically, because of the success of CBS performers like Michael Jackson and Men at Work on MTV:Music Television (a cable tv service also owned by Warner). The cable division in general is growing, but losses keep mounting. Warner's efforts to battle the supremacy of Home Box Office by setting up a joint venture of its Movie Channel with rival Showtime have been stymied.

Warner is handling these reversals in much the same way the nation's auto makers have tried to cope with their serious sales skids: Make major changes in product and procedures, step up marketing efforts and back it all with generous spending hikes. For instance, Atari spent $14.5 million in the first quarter of 1983 for tv advertising of its videogames, almost double what it spent in the year-ago quarter.

Attempts to restore Atari's prominence in the electronics field have included hiring Alan Alda as a corporate spokesman, at a cost reportedly in excess of $10 million, and replacing chairman Raymond Kassar with James J. Morgan, a marketing whiz from Philip Morris. The division also is thoroughly revamping its computer and videogame offerings.

There have been some bright spots amidst the gloom, such as the comeback of Atari's coin-operated (arcade) games division. Atari has reached agreements with other heavy hitters in videogames and entertainment—Nolan Bushnell, Lucasfilms Ltd., MCA Video Games—that will enable it to share in their expertise, as well as obtain rights to market cartridges that tie-in with popular characters from Children's Computer Workshop ("Sesame Street"), Henson Associates (the Muppets) and Walt Disney.

Warner's measured media ad spending for Atari during 1982 was $74 million, far above the $27.9 million spent in 1981. Most of that was spent in network and spot tv. Atari's operating revenues rose 63.7%, to $2 billion, while operating income, pinched by Atari's poor showing, rose only 12.8%, to $323.3 million.

The division's $11 million computer assignment moved to Wells, Rich, Greene from Young & Rubicam. AtariTel, a telecommunications product to be introduced next year, was assigned to Backer & Spielvogel.

Warner's filmed entertainment division—movies, tv production and home video—has high hopes for 1983. Marketing muscle will be put behind major fall and Christmas film releases scheduled by Warner Bros. and affiliates, including Burt Reynolds' "Cannonball II;" "Never Say Never Again," Sean Connery's return as James Bond, and "The Right Stuff," based on Tom Wolfe's bestseller about the astronauts. "Superman III" and "Twilight Zone" paced Warner Bros.' summer offerings, though another, "The Man with Two Brains," was one of the summer's certified flops. A trio of titles—"High Road to China," "Local Hero" and "The Outsiders"—did well in the first part of the year.

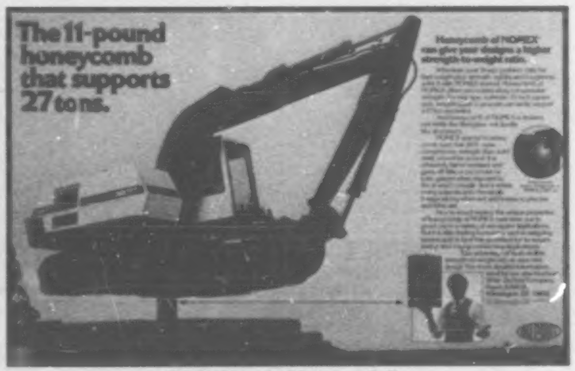
Warner Bros. Television has five programs, six hours, on tap for the fall, twice what it sold at the start of the

Fruit Roll-Ups

General Mills
National introduction: Fall, 1982
Introductory budget: $17.5 million
Agency: Needham, Harper & Steers/USA, Chicago

FRUIT ROLL-UPS
CHEWY FRUIT SNACK
CHERRY
8 ROLLS

Source: AA estimate


The 11-pound honeycomb that supports 27 tons.

E.I. du Pont de Nemours & Co.

100 LEADERS
Odds and Ends

Polaroid Corp.

Down on the farm

Though each of the 100 Leaders spend only a minuscule amount, if at all, on farm publication advertising, there are several that do pay attention to this medium. They are:

• Du Pont	7.6%
• Pfizer Inc.	3.8
• Union Carbide Corp.	3.1

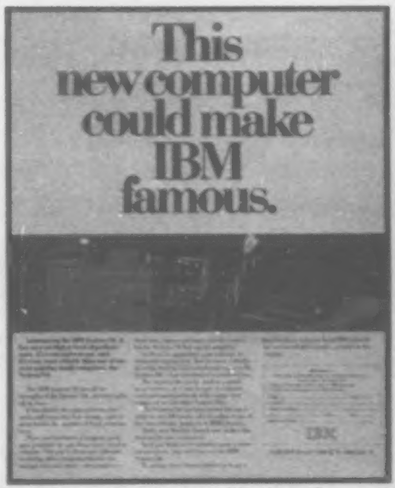
Medium crazy

Then there were those that like network tv: Three companies among the 100 Leaders put more than 80% of their measured media advertising into network tv, the highest proportion of ad budgets placed in any medium. They were:

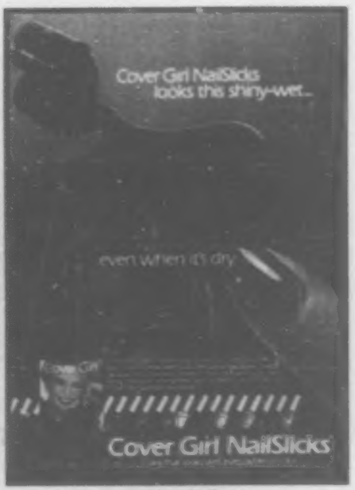
• Beecham Group Ltd.	82.9%
• Polaroid Corp.	82.2
• SmithKline Beckman	80.0

It's an item in the budget

Heavy spending in the Charlie Chaplin campaign notwithstanding, International Business Machines Corp. had the lowest ad to sales ratio, 0.2%, among the 100 Leaders. Considering that the company had more than $34 billion in sales in 1982, that's not too surprising.


This new computer could make IBM famous.
IBM

International Business Machines Corp.


Cover Girl NailSlicks looks this shiny-wet...
even when it's dry
Cover Girl NailSlicks

Noxell Corp.

One heavy investor

Among the 100 Leaders, Noxell Corp. had the highest ad-to-sales ratio, a whopping 18.9%. Of course, it helped that Noxell was also the smallest of the 100 in terms of revenues. The company, one might say, tried to clean up on the market with a wad of investment in advertising.

1982-1983 season. Two newcomers, "Scarecrow and Mrs. King" and "The Yellow Rose," are being talked up as potential hits. Two programs, "Goodnight, Beantown" and "The Mississippi," survived midseason tryouts that felled four other pilots. In miniseries, "The Mystic Warrior" will follow the Warner blockbusters of the 1982-1983 season, "The Thorn Birds" and "V."

Warner Home Video turned to special promotional programs, particularly a "Spring Fever" pitch that offered 22 titles for $39.98. New titles were being sold at that price as well, a step that helped land "Best Friends" on the videocassette best-seller lists.

For 1982, the filmed entertainment division spent $26.3 million in measured media, most of it in network tv. That was off 12.3% from 1981. While revenues fell 8.1%, to $694.1 million, operating income soared 312.1%, to $101.8 million. Results were paced by hit films, including "Chariots of Fire," "Firefox" and "The Road Warrior," gains in tv programing and distribution and improved results from Warner Home Video.

The music emanating this year from Warner's recorded music and music publishing division has been none too sweet. The much-discussed recovery in the record business seems to have eluded Warner's artists, who have had difficulty in regaining their traditional top spots on Billboard's Hot 100 lists. Prince and the Greg Kihn Band have been just about the company's only acts to crack the top 10 in singles and albums. As a result, CBS pushed ahead with 23% of the U.S. market, dropping Warner to No. 2 with 21%.

In cable communications, the company is scrambling to implement solutions to a variety of problems. This division consists of two operations, Warner Amex Cable Communications and Warner Amex Satellite Entertainment Co., both jointly owned with American Express Co. Rumors persist the latter is growing increasingly tired of underwriting its share of the large losses the division keeps incurring, but both companies have steadfastly insisted no changes in their relationship are planned.

Last month, the Dallas Cable Television Board warned Warner Amex about the quality of its service to its 53,971 subscribers in that market, or face fines of up to $200 per day. The company attributes the large number of requests for service, and delays in answering such requests, largely to a shortage of manpower, and said that steps are being taken to remedy the situation.

And other changes have been made: Warner has elected to carry commercials on Nickelodeon, the children's cable channel; it is requiring cable operators carrying MTV to pay for the innovative music video channel; staffing has undergone deep cuts as former U.S. transportation secretary Drew Lewis has taken over as chairman and chief executive officer. The company also recently appointed John C. Charlton senior vp-programing, marketing and sales at Warner Amex Cable Communications.

And while the proposed joint venture of the Movie Channel and Showtime was blocked by the Justice Department, other alternatives are being explored.

On the marketing side, Warner Amex launched what it called the QUBE Network, linking its interactive cable systems in six cities, and began advertising MTV on network tv.

Despite the division's difficulties, it keeps growing, with subscribers totaling 1.2 million by first quarter 1983 vs. 860,000 in 1982. Franchises were granted for Milwaukee and parts of New York, and systems were acquired in portions of Houston.

Measured media ad spending for the cable division came to almost $4 million in 1982, mostly in spot tv and magazines. Consolidated revenues rose 74%, to $307.6 million, with net losses totaling $46.6 million; half of that net loss was accrued to Warner under the Warner Amex 50-50 ownership arrangement.

Warner's consumer products division has three segments: Franklin Mint, Warner Publishing and Warner Cosmetics. Franklin Mint in early 1983 suffered declines in revenues and an operating loss during what Warner called "the seasonally weak first quarter," but order backlog rose 4.3% compared with yearend 1982, to $420 million.

Franklin Mint spent $20.2 million in measured media in 1982, up 5.3% from 1981. The lion's share of that spending came in magazines and newspaper supplements, with some testing of tv. Revenues rose 10% to $445.9 million, but operating income fell to $26.2 million, down 18.3% from the amount achieved from the date of Warner's acquisition of Franklin Mint in March, 1981.

In publishing, Warner Books got off to a good start in 1983, thanks to "Megatrends" and "Ascent into Hell" in hardcover; "Thy Neighbor's Wife" in paperback, and "Life Extension" in trade paperback. DC Comics introduced an adventure series, "Ronin," that made the best debut of any of its comic books. Warner Publisher Services was signed as distributor of a number of new and existing magazines, including *The Movies*. A new Warner Software division of Warner Publishing was established to meet the growing market for computer products. Its first venture is a magazine, *Microkids*, for 10-to-16-year-old computer buffs, jointly produced with New York's Cloverdale Press.

The company's hit book titles in 1982 included "Never Say Diet Cookbook" and "Life Extension" in hardcover and "The Cardinal Sins," "Chances" and "A Few Minutes with Andy Rooney" in paperback. Among magazine titles added by Warner Publisher Services last year were *American Health*, *Rolling Stone* and Conde Nast titles.

Warner Cosmetics has been a very bright spot in its parent company's otherwise gloomy situation. The Vanderbilt fragrance, introduced last year, has been its industry's fastest growing women's product. Polo men's fragrance has moved into first place in its category at many department stores, while its companion product, Lauren for women, climbed to No. 3 in many markets.

Sales of the Chaps brand for men have resumed the growth enjoyed during the western-wear fad of 1981-82. A skincare line bearing the Lauren name was launched during the first quarter. And plans are being readied for the debut next year of a fragrance line, priced above Lauren, created by designer Paloma Picasso.

Measured media ad spending last year for Warner Cosmetics totaled $6.1 million, up 43.2%. Most of it appeared in spot tv and magazines.

In other corporate enterprises, WCI Sports, which owns the Cosmos soccer team, acquired a 48% interest in the Pittsburgh Pirates last April. The Cosmos are unprofitable, but the company likes "the value of its international recognition." The Pirates games are being used as programing for the company's cable franchise in Pittsburgh.

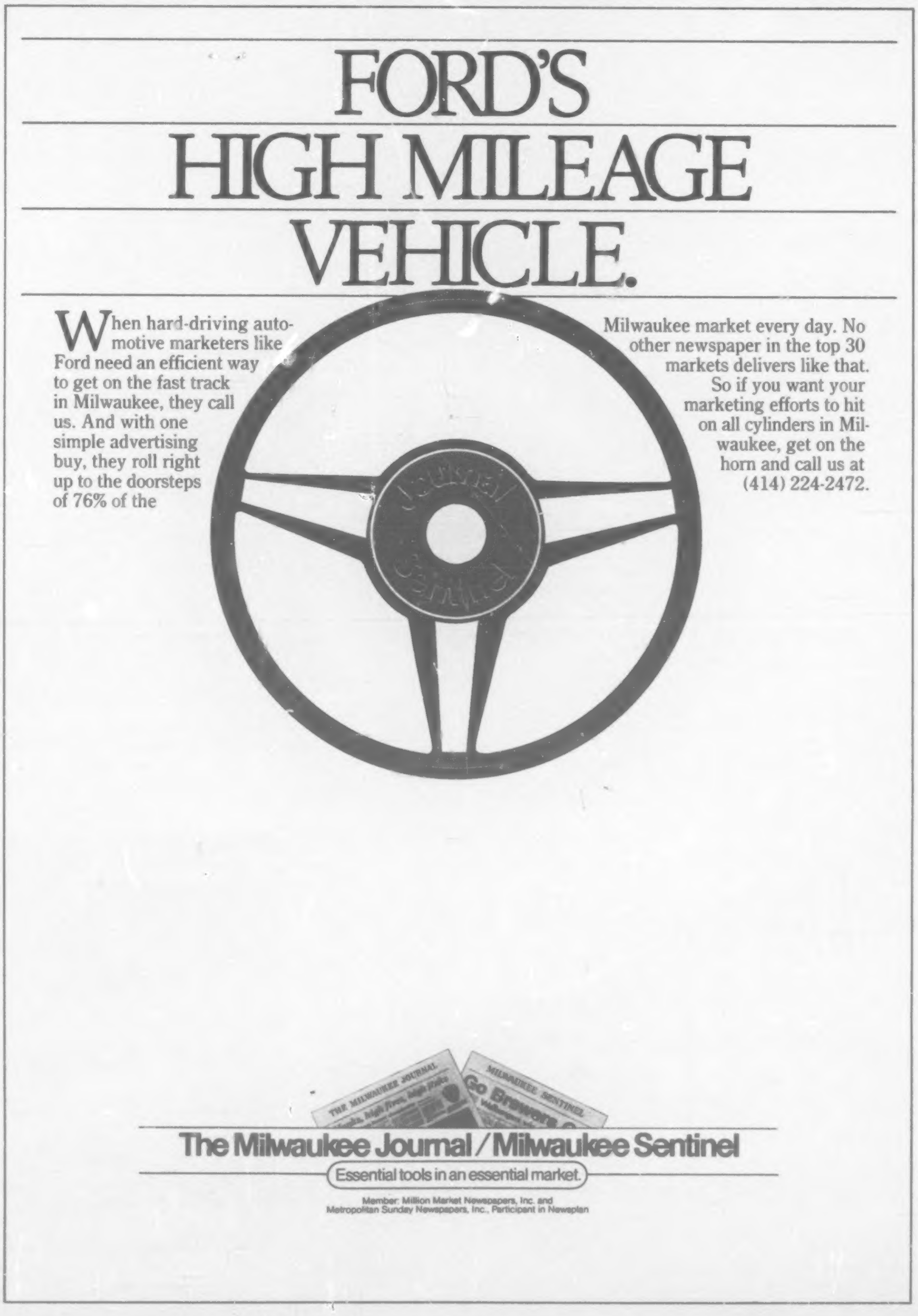
Warner Theatre Productions not only backs theatrical ventures, but develops material for other media owned by the company and by others. Current properties include "Crimes of the Heart," "Pump Boys and Dinettes" and "Woman of the Year."

Warner last year decided to shed one of its operations, Knickerbocker Toy Co., which was severely hit by the decline in traditional toy products. The result was a $35 million pretax loss, taken in the fourth quarter. Some lines were sold to Hasbro Toy Co., in exchange for Warner acquiring 39% of the stock of that company. Ad spending for Knickerbocker in measured media last year totaled $5.9 million.

Stuart J. Elliott

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$18,875,600	$13,324,000
Magazines	24,929,600	21,001,700
Spot tv	27,154,000	16,193,500
Network tv	75,533,000	47,510,300
Spot radio	820,300	958,600
Network radio	1,178,000	163,500
Outdoor	59,500	78,900
Total measured	148,550,800	99,230,500
Unmeasured	83,677,300	59,769,500
Estimated total	232,228,100	159,000,000


FORD'S
HIGH MILEAGE
VEHICLE.

When hard-driving automotive marketers like Ford need an efficient way to get on the fast track in Milwaukee, they call us. And with one simple advertising buy, they roll right up to the doorsteps of 76% of the Milwaukee market every day. No other newspaper in the top 30 markets delivers like that. So if you want your marketing efforts to hit on all cylinders in Milwaukee, get on the horn and call us at (414) 224-2472.

The Milwaukee Journal / Milwaukee Sentinel

Essential tools in an essential market.

Member: Million Market Newspapers, Inc. and
Metropolitan Sunday Newspapers, Inc., Participant in Newsplan

100

WARNER BROS.
Marketing Personnel
Sandy Reisenbach, exec vp-worldwide adv and publicity
Rick Kailei, director-co-op adv
Joe Hyams, vp-publicity
Mardi Marand, vp & director of media
Advertising Agency
Grey Advertising, New York—Don Foley, mgmt super; Len Fogge, acct super; Frank Pellegrino, acct exec
WARNER BROS. TELEVISION
Marketing Personnel
Marsha Greenberg, manager-adv & publicity
David Horowitz, vp-adv, publicity and promo
Gordon Hellman, vp-adv, publicity and promo, tv distribution
Eric Frankel, director-pay tv mktg
Stanley Solson, vp-pay tv mktg
Jeffrey Calman, director-sales devel
Advertising Agency
Pearlman, Rowe, Kolomatsky, New York—Gerald E. Rowe, chairman.
WARNER BROS. RECORDS
Marketing Personnel
Lou Dennis, vp-sales
Russ Thyret, senior vp-mktg
Tom Draper, vp-black music
Sophie Beauvy, ad director
Adam Somers, vp-creative services and operations
Pete Johnson, vp-creative director of adv
Howard Rosen, vp-promotion
Vic Faraci, vp-country music mktg
Jeff Ayeroff, vp-creative mktg
Advertising Agency
Burbank Agency (inhouse)—Sophie Beauvy, director of adv.
ELEKTRA/ASYLUM RECORDS
Marketing Personnel
Lou Maglia, senior vp-mktg
Randy Edwards, vp-creative services
Bill Berger, vp-sales
Keith Jackson, vp-special mkts
Bryn Bridenthal, vp-publicity
Marcie Gorman, natl mktg director
Dave Cline, mktg mgr, West Coast
ATLANTIC RECORDS
Marketing Personnel
David Glew, exec vp-genl mgr
Mark Schulman, vp-adv
Sal Uterano, vp-sales
James Gallo, director, merch
Advertising Agency
East/West Advertising (inhouse)—Marsha Green, media director.
ATARI INC.
Marketing Personnel
John Cavalier, president, Atari Products Co.
Donald Kingsborough, president, Atari sales & distribution
Ted Voss, senior vp-mktg & adv
Don Osborne, vp-sales & mktg
Dick Meier, vp-mktg
Bruce Entin, vp-pr
Advertising Agency
Doyle Dane Bernbach, New York—Martin Hummel, acct exec.
Wells, Rich, Greene, New York—Frank Schwartz, acct group head.
Backer & Spielvogel, New York—Randolph Lindel, senior vp.
Needham, Harper & Steers, New York—Peter Heinz, acct exec.
Young & Rubicam, New York—Sheldon Lipton, acct exec.
WARNER AMEX CABLE
Marketing Personnel
John C. Charlton, senior vp-programing, mktg and sales
William Phillips, vp-sales & mktg admin
WARNER AMEX SATELLITE ENTERTAINMENT
Marketing Personnel
John A. Schneider, president-ceo
Robert W. Pittman, exec vp-coo
Domenick Fioravanti, vp-genl mgr, MTV: Music Television
Cy Schneider, vp-genl mgr, Nickelodeon
Robert Roganti, vp-ad sales
Advertising Agencies
LPG Pon, subsidiary of Lois Pitts Gershon, New York—MTV—Dale Pon, president, LPG Pon; Dick Gershon, president, LPG; Leslie Fenn, acct exec.
Scali, McCabe, Sloves, New York—the Movie Channel, Nickelodeon—Patrick Hillman, vp-mgmt super; Donald Jackson, acct super; Ann Allerhand, acct exec, Susan Gordon, Stella Barisic, asst acct execs.
WARNER BOOKS
Marketing Personnel
Howard Kaminsky, president
Dorothy Crouch, vp-genl mgr
Bill Shinker, vp-mktg
Advertising Agency
Publishers Advertising Associates (inhouse)—Mark Greenberg, president.
MALIBU GRAND PRIX
Marketing Personnel
Craig Buckel, adv-promo mgr
Advertising Agency
American Promotion Group, New York—Larry O'Daly, president, radio/tv; Jane Lande, radio acct exec.

Hello

Three companies shelled out enough ad dollars this year to make it to the 100 Leaders list for the first time:

- Royal Crown Cos.
- Stroh Brewery Co.
- Wendy's International

Wendy's International

AN INSIDE LOOK AT AN R&D PROCESS FORMULATED TO PRODUCE INNOVATIVE, HIGH QUALITY AUTOMOBILES AT THE LOWEST POSSIBLE COST.

MAZDA'S R&D FORMULA

Mazda Motors Corp. of America

Welcome back

Three companies made a return appearance to the list this year:

- E&J Gallo Winery
- Mazda Motors Corp. of America
- Pan American World Airways

100 LEADERS

Odds and Ends

See you later —maybe

Four companies on last year's list didn't quite make it into this one. They were:

- Borden Inc.
- Exxon Inc.
- Jeffrey Martin Inc.
- Morton Thiokol (formerly MortonNorwich)

Cracker Jack Extra Fresh Popping Corn. It's everything it's popped up to be.

It's packed up fresh. So it pops up perfect.

Our gourmet quality popping corn is vacuum-packed in glass jars while it's fresh. So you always get popcorn that's big, tender, fluffy and delicious.

It's packed with experience.

Since 1871, we've popped more popcorn than anyone. With our Cracker Jack® Extra Fresh Popping Corn, you can be sure you're popping with the one—and only—real Cracker Jack.

It's packed with value.

Cracker Jack Extra Fresh Popping Corn comes in big 1, 2 and 3 pound easy-grip jars. It's just pennies for every serving, too—so you can enjoy it every day.

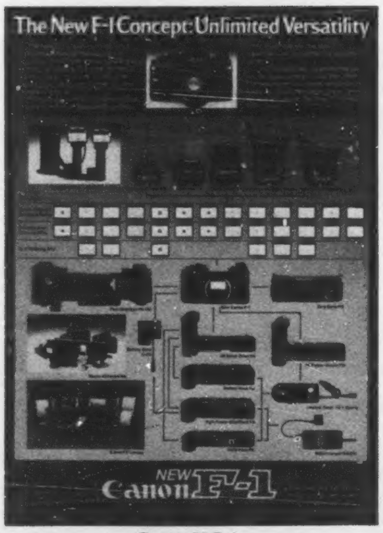
CRACKER JACK.
Since 1871, we've popped more popcorn than anyone.

© Borden Inc. 1983

Borden Inc.

Procter & Gamble Staying No.1

Year (issue years)	Spending (millions)	% change
1983	$726.1	8.1
1982	671.8	3.4
1981	649.6	5.6
1980	614.9	11.0
1979	554.0	20.0


The New F-1 Concept: Unlimited Versatility

Canon U.S.A.

At the other end

That coveted No. 100 spot—"Look ma, I made the list"—has been shared by four companies in the past five years. American Broadcasting Cos., the nation's No. 1 media company in revenues, is the tailender in this year's issue. Before that, the century holders were (with the issue year they were No. 100):

Canon U.S.A.	1982
Mazda Motors	1981
Mazda Motors	1980
Beecham Group Ltd.	1979
E&J Gallo Winery	1978

All of them are among the 100 Leaders this year.

WEA CORP.

Marketing Personnel

Robert Moering, director, mktg services
George Rossi, exec vp-sales
Skid Weiss, director, publicity
Barbara Burns, natl adv director
Alan Perper, director, product mgmt
Rosemary Pierce, natl adv coordinator
Hank Caldwell, vp-black music
Jody Raithel, natl special projects coordinator
Fran Aliberte, director of natl sales
Dave Mount, natl sales mgr, video

Advertising Agency

WEA Advertising (inhouse)—Barbara Burns, natl adv director.

WARNER SPECIAL PRODUCTS

Marketing Personnel

Mickey Kapp, president
Tony Pipitone, vp-treasurer

LICENSING CORP. OF AMERICA

Marketing Personnel

Robert F. Bell, exec vp
Leonard F. Reitner, director of mktg
Michael J. Harp, vp-sales
Paul Cabe, promotion mgr

Advertising Agency

Ferber, Janklow, Chimbel & Bender, New York—Bruce Janklow, president.

THE LADD CO.

Marketing Personnel

Ashley Boone, vp-distribution and mktg
Robert Dingilian, vp-promotion and publicity

PANAVISION

Marketing Personnel

Jac Holzman, chairman
Frank Vogelsang, senior vp

WARNER HOME VIDEO

Marketing Personnel

Warren Leiberfarb, vp-genl mgr, domestic operations
Rand Bleimeister, natl sales mgr
Barbara O'Sullivan, director of adv

FRANKLIN MINT

Marketing Personnel

Martin Breisblatt, vp-mktg, U.S.

Advertising Agency

Franklin Advertising (inhouse)—Martin Breisblatt, vp.

DC COMICS

Marketing Personnel

Jenette Kahn, president and publisher
Paul Levitz, vp-operations
Bruce Bristow, mktg director

Advertising Agency

Sanford Schwarz & Co., New York—Bernie Slotnik, adv rep.

MAD MAGAZINE

Marketing Personnel

William Gaines, president

WARNER PUBLISHER SERVICES

Marketing Personnel

Sol Himmelman, vice-chairman
Lee Rodgers, president
Pat Flaherty, vp-mktg
Mark Greenberg, vp-adv/pr

Advertising Agency

Publishers Advertising Associates (inhouse)—Mark Greenberg, president.

WARNER COSMETICS

Marketing Personnel

George Friedman, president
Robert J. Ruttenberg, exec vp
Roy Benjamin, senior vp-genl mgr
Andy Furlan, senior vp-genl mgr
Viola Stasio, vp-mktg
Michael Eiger, vp-mktg

Advertising Agency

Geers Gross, New York—Chris Hansen, senior vp.

NEW YORK COSMOS SOCCER

Marketing Personnel

Tom Werblin, genl mgr
Robert Rolontz, vp-communications
William Ponzer, ad mgr

Advertising Agency

Publishers Advertising Associates (inhouse)—Mark Greenberg, president.

WARNER THEATRE PRODUCTIONS

Marketing Personnel

Claire Nichtern, president

PITTSBURGH PIRATES

Marketing Personnel

Jack Schrom, vp-pr and mktg

LEISURE DEVELOPMENT CORP. OF AMERICA

Marketing Personnel

Norm Elder, vp-mktg

Advertising Agency

Berenter, Elgort and Greenhouse, New York—Bill Berenter, acct exec.

WCI CORPORATE

Peter D. Graves, director-corp communications
Robert Rolontz, director of info
Jonas Halperin, director of intl communications
David Bither, asst director, corp communications

Warner-Lambert Co.

	1982	1981
Sales	$3,245,967,000	$3,379,952,000
Earnings	174,970,000	9,222,000
Advertising*	294,736,000	270,400,000

*AA estimate

Warner-Lambert Co., Morris Plains, N.J., the 15th largest national advertiser, increased its domestic advertising nearly 9% to an estimated $294.7 million in 1982.

The company's worldwide sales in 1982 fell 4% from the previous year to $3.25 billion, while net income rose to $175 million from $9.2 million (a victim of nonrecurring charges of $134 million) in 1981.

The improved earnings outlook continued into 1983, as W-L reported six-month earnings of $101.6 million, up 12% from a year ago, although sales continued to slide, dropping 6.4% to $1.55 billion. Figures for 1982 include results of Entenmann's Inc., a baked goods company W-L sold for $317 million to General Foods Corp. last October.

The improved earnings outlook prompted W-L chairman Ward S. Hagan to say he expects "double-digit" income growth in 1983.

The company attributed $320 million of the 1982 sales dropoff to foreign currency adjustments, mostly from the devaluation of the Mexican peso. So far into the new year, the strength of the dollar continues to distort sales.

Excluding the effects of exchange rate changes and divested companies, sales increased 12% in 1982, although the company said such growth came primarily because of price increases rather than to unit volume increases.

The sale of Entenmann's helped put the company's four-year strategic plan for growth into full operation, a W-L spokesman said, noting Entenmann's did not fit the plan.

That strategy involves a 15% increase in advertising spending, expansion of investment in medical products, divestiture of business lines unrelated to corporate strategy and higher spending on research and development—most of which is to go toward pharmaceuticals.

The medical products area is where W-L made its major strategic maneuver during 1982. W-L in August, 1982, acquired IMED Corp., a leader in intravenous infusion devices, for a reported $468 million.

IMED's contribution and Entenmann's absence now means W-L's healthcare business will contribute about 70% rather than the traditional 56% of total sales.

IMED's 1982 sales were about $100 million. W-L says 1983 sales are expected to be "in the range of $150 million" and, by 1987, hit $500 million. IMED holds a 50% market share in the volumetric intravenous pump market.

According to Warner-Lambert, it expects to introduce by mid-1983 a new series of pumps that will be the first to combine the high accuracy of the intravenous pump with the low delivery pressure of the intravenous controller.

W-L's primary business, the healthcare sector, is segmented into ethical and nonprescription products. While the products most highly touted at W-L are its ethical, or prescription drugs, its nonprescription products receive

Travel
Travel
Travel
Travel
Travel
TRAVEL
TRAVEL
TRAVEL HOLIDAY
FLORIDA'S FAMOUS SPRINGS
TRAVEL-HOLIDAY
THE MAGAZINE THAT ROAMS THE GLOBE
NEWPORT, RHODE ISLAND
The best address this summer
JULY 1983 • $1.50
Enchanting Ecuador
Travel and Home Computers
Missouri's Rhineland
For 82 years we've been growing younger.
TRAVEL-HOLIDAY

the most attention in W-L's total measured ad spending of $128.6 million, up from $122 million in 1981.

This nonprescription segment, which contributed $811 million in sales in 1982, up only 1% from the previous year, includes mouthwashes, cough and cold products, antacids, vitamins, denture cleansers and other products for personal healthcare.

Six Warner-Lambert products hung on to their market leadership position—Listerine mouthwash, Sinutab sinus relief preparations, Efferdent denture cleanser cleaner tablets, Rolaids antacid, Halls cough drops and e.p.t. (early pregnancy test) for home diagnosis.

Competition heated up in the mouthwash arena, where W-L is the leading marketer with a 30% share held by Listerine. Regular Listermint holds an 11% share. The competition is coming from new mouthwashes containing fluoride, such as Johnson & Johnson's ACT. W-L also has a Listermint with fluoride in Canada, a product also introduced in Venezuela in 1982.

One company official says, "We don't know what will happen in test, but look north of the border and that will tell you what we have in mind." Listerine mouthwash got $5.7 million in measured ad spending, down 24%. Of all W-L products, Listerine antiseptic drew the largest measured ad spending, $11.8 million, up 5.5% from 1981.

Halls, the best-selling cough tablet worldwide, registered a measured media ad increase of 27% to $6.3 million.

E.p.t. ran into intense competition from lower-price kits, W-L reported. However, e.p.t. maintained a market share of more than 50%, with measured ad spending of $3 million, down 6.8%.

Sales of Benylin cough syrup in the U.S. increased 20% partly as a result of heavy spending—$5.5 million ($4.7 million in network and spot tv), a 91% increase over 1981—and the addition of a larger size package.

The company also says a new U.S. advertising campaign helped Myadec, its principal vitamin supplement, register double-digit growth. The campaign stressed the multivitamin's high-potency formula. Ad spending measured $5.3 million, up 24%.

The company also introduced this spring a disposable razor from Schick to compete against market leaders, Bic and Gillette's Good News! disposable razors.

Much of the ad effort was directed at a 58 million starter coupon delivered through newspaper inserts.

Other personal care products receiving $2 million-plus in measured spending last year include: Efferdent denture cleanser tablets, $7.2 million (up 13.5%); Personal Touch ladies razors, $3.4 million (up 69%); Rolaids antacid tablets, $10.5 million (down 7%); Schick Super II cartridge shaver system, $4.3 million (down 26%); Sinutab sinus remedy, $6.4 million (up 10%).

In the gums and mint category, W-L's Trident gum remains in armed combat with Life Saver Inc.'s (a division of Nabisco Brands) Care*Free gum, both with market shares of about 11%.

Venezuela's Health Ministry also banned Adams Gum division of American Chicle from airing its worldwide Dentyne commercial, which it said "promotes poor oral health by recommending chewing Dentyne over toothbrushing."

Products in the gums and mints category contributed $648 million or 20% of total corporate sales. Those that received more than $2 million in ad support were: Bubblicious bubblegum, $4.5 million (down 22%); Certs mints, $9.5 million (down 24%); Certs sugarless mints, $3 million (up from $57,600 in 1981); Chewels sugarless liquid center gum, $2.6 million (down 62%); Clorets gum and mints, $5.2 million (up 50%); Dentyne gum, $7.6 million (up 11%); Halls Freshen-Up gum, $4.4 million (down 7%).

The company also announced in June, 1983, that it was establishing two separate divisions within its consumer products group.

The units, which reflect marketing and distribution distinctions within the company's consumer product operations, are the consumer health products division and the American Chicle division.

The consumer health products division will be headed by Jay M. Gwynne, who was president of W-L's Japan region, and the American Chicle division will be headed by John C. Carroll, who was vp of marketing with American Chicle.

The ethical products in the health-care segment accounted for sales of $1.29 billion in 1982, a gain of 5% from 1981, and representing about 40% of total 1982 sales.

Over the past two years, new pharmaceuticals have added $100 million to W-L sales, says W-L president Joseph D. Williams.

Among the new products recently introduced are the anti-infective, ERYC (erythromycin); Procan SR, an antiarrhythmic; Easprin, a high-potency coated aspirin; Meclomen, an antiarthritic, and Lopid, a lipid-regulator, which gained a quarter of the U.S. market for lipid and cholesterol control agents in less than a year, the company said.

Amsacre, the company's first anticancer drug, is now on the market in the Netherlands and Canada and is scheduled to be launched in other European markets later this year.

Research and development received renewed emphasis in 1982, with total spending increasing 27% to $145 million, 70% going into ethical pharmaceuticals.

Total 1983 expenditures on r&d are expected to run $180 million, and W-L has said it will spend more than $1 billion on r&d over the next five years, including $100 million for new facilities.

Jim Hammett

ADVERTISING EXPENDITURES

	1982	1981
Newspapers	$1,298,700	$625,100
Magazines	7,936,400	9,096,600
Spot tv	32,907,200	29,822,000
Network tv	81,015,400	76,834,200
Spot radio	1,853,100	740,300
Network radio	6,558,400	6,061,400
Outdoor	—	70,500
Total measured	131,563,200	123,250,100
Unmeasured	163,172,800	147,149,900
Estimated total	294,736,000	270,400,000

Corporate Personnel

Ward S. Hagan, chairman-ceo

Joseph D. Williams, president-coo

George Hromadko, vice chairman, chief financial officer

CONSUMER PRODUCTS GROUP

Marketing Personnel

Melvin R. Goodes, president

John C. Carroll, president, American Chicle div

Jay M. Gwynne, president, Consumer Health Products div

F.J. Krall, vp-prod mgmt, American Chicle

J.F. Walsh, vp-prod mgmt, consumer health products div

T.G. Schable, vp-sales, consumer health products div

Advertising Agencies

Ted Bates Advertising, New York—Bubblicious, Halls cough tablets, Halls cough formula, Rolaids, Trident gum and mints, Efferdent, Effergrip—Larry Epting, exec vp; Mike Townsend, senior vp, mgmt rep; Tom Hedtick, vp-acct super; Gail Cerminaro, vp-acct super; Shelley Diamond, vp-acct super.

William Esty Co., New York—Chiclets, Clorets, Freshen-Up gum, Schick shaving systems, Personal Touch ladies shaving system, Listermint—Robert Ballerini, senior vp-mgmt super; Don Byer, vp-acct group head; Patricia Stewart, vp-acct group head.

J. Walter Thompson USA, New York—Chewels, Listerine antiseptic, e.p.t., Sinutab, Lubriderm—Jack Morrissey, senior vp-group acct director; Jerry Gottlieb, senior vp-mgmt super; Bea Lothrop, vp-acct super; Adele Finaly, vp-acct super; Ann Carter, vp-acct super.

Young & Rubicam, New York—Certs, Dentyne—Bill Thompson, group super; Tom Spangenberg, mgmt super; Arlene Brickner, acct super.

PARKE-DAVIS GROUP

Marketing Personnel

J.E. Wavle Jr., president

C.J. Cowles, vp-mktg

D.A. Swanson, vp-sales

W.L. Dickerson, group prod director

H.F. Oberkfell, group prod director

As I See it

BRAND EXPENDITURES

by TOM MILLER
executive vice president
Leading National Advertisers, Inc.

MEASURING MEDIA . . .

Brand Expenditures. A good place to begin . . . a good place to end.

Measuring media for its advertising content is done by independently held companies in co-operation with the media. These measurements provide a breakdown of brand expenditures.

Brand expenditures answer the very first question often asked by advertisers: How much do I have to spend? For it is competitive brand expenditures that indicate how much is necessary to spend to keep up with the competition, or how much it will cost to introduce a new brand into the marketplace; the price of admission. An analysis of brand expenditures can also lend insight to a brand's marketing strategy — the overall media-mix, the selection of the individual vehicles within a particular medium, regionality, seasonal variation, etc. But in the beginning, the question is how much? How much are they spending? How much will I have to spend?

Once a brand's ad budget is determined, the other measurement services come into play to provide additional marketing intelligence: Audience measurement, sales measurement, measurement of the market itself.

Audience measurement, which provides a profile of the reader/viewer/listener helps direct where advertising dollars are to be spent. Naturally, these dollars are going to be placed in those media whose audience has a high buying/usage profile of a particular product type. And within the media, in the magazines, on the programs, and during the dayparts that will reach the heavy user. Determine who the heavy user is, find out what they read, look at and listen to, and you have come a long way in determining where to place ad dollars. Audience measurement: Key marketing intelligence.

Sales measurement — A tracking of product movement, whether it is off the shelf or out of the warehouse, can be a great aid in determining *when* to spend. Sales measurement provides the sought-after share of market figures, as well as analytical data for those whose bent it is to show advertising effectiveness. Naturally, you spend when your market is buying or shortly before, and data supplied by the sales measurement services tells you when they are buying. This is not necessarily a simple decision. All the money spent on advertising sunglasses during the winter months is not directed at the skiing market. The major manufacturers know sunglasses are an impulse item. Drug and sundry stores buy their sunglass display units in the winter and that is when to advertise. Know thy market — and where it is. In this vast country, there are tremendous regional variations. In Aspen, happiness is a dog and a jeep. The Southeast, for reasons we will not go into here, is a heavy pet food market. The sales measurement services show these seasonal and regional variations of spending patterns.

Measuring the marketplace — Thousands of door-to-door interviews in the field and in the store, are often directly fed back to those interviewed in the creative and copy approach to a particular campaign. Chances are that, "I like its clean, fresh smell" did not come out of a copywriter's head but directly off an interviewer's sheet, tabulated in some editing and coding department in one of the many market measurement companies. A new product or the emphasis of a specific attribute of an existing product comes from ideas expressed in the field — the marketplace — whose measurement is another essential ingredient of marketing intelligence.

All of the major and once minor brands utilize these measurement services. Services are subscribed to, reports received, data analyzed. It is a long and costly process to obtain and review the available information which gives the industry its expertise. At the end of all of the acquisition and analysis of services used to determine how much to spend, where to spend, when to spend and what to say, advertising dollars are spent; time is bought, space purchased. And we come full circle — back to the media measurement services. We tell you who spent, how much, where, when and against whom.

Brand expenditures — A good place to begin . . . a good place to end.

LNA

100

Advertising Agencies

Sudler & Hennessey (medical group), New York—Donald Masterson, senior vp-mgmt super; John Rinaldi, senior vp-acct super; William Butler, vp-acct super; Jo Mancuso, acct super; Hope Lang, assoc media director.

Sudler & Hennessey (consumer group), New York—Arthur Rosen, exec vp-group director; Hano Fuchs, senior vp-group creative director; Walter Bernd, vp-acct super; Ann Petelka, acct exec; K. Kopas, media director.

J. Walter Thompson USA, New York—Jack Morrissey, senior vp-group acct director; Jerry Gottlieb, senior vp-mgmt super; A. Carter and D. Farrell, acct supers; M. Yervanian, assoc media director.

HEALTH TECHNOLOGIES GROUP

Marketing Personnel

D. E. O'Neill, president
Kirk Merritt, vp-business plan and devel

DIAGNOSTIC GROUP

Marketing Personnel

S.M. Morton, president
Richard Walsh, vp-mktg intl
Charles R. Crampton, director-sales
C.A. Holzmacher, director-mktg services
Eric Holdtgrefe, director-mktg intl
Robert D. Grissom, vp-mktg U.S.
William T. Finelli, mgr adv

Advertising Agency

Medical Education Dynamics, Hopelawn, N.J.—Robert Curtis, acct exec.

DESERET MEDICAL INC.

Marketing Personnel

Paul Creager, president
Michael S. Fleming, vp-U.S. mktg

Advertising Agencies

Tom Ferguson Associates, Parsippany, N.J.—Tom Ferguson, president.

Baxter, Gurian & Mazzei, Beverly Hills, Cal.—K.J. Gurian, president.

IMED CORP.

Marketing Personnel

D.E. O'Neill, president
J.C. Sifers, vp-sales and mktg

Advertising Agency

Revis Communications, San Diego—Jim Revis, president.

SCIENTIFIC INSTRUMENTS GROUP

Marketing Personnel

Richard E. Schmidt, president
C.R. Krause, vp-mktg, sales
Patrick E. Dundas, director-mktg and scientific instruments
Andrew J. Liberty, mgr-adv
John Schempp, mgr-mktg, fiber optics

Advertising Agencies

Faller, Klenk & Quinlan, Getzville, N.Y.—scientific instruments and fiber optics—Lawlor Quinlan, vp.

Legasse Associates, Walpole, N.H.—ophthalmic instruments—David Legasse, president; Jim Young, vp.

G. Anderson Advertising, Hampton, N.H.—ophthalmic instruments—George Anderson, president.

Wendy's International

	1982	1981
Sales........	$1,632,440,000	$1,424,215,000
Earnings.....	44,102,000	36,852,000
Advertising*..	44,875,000	37,170,000

*AA estimate

Wendy's International, Dublin, O., the nation's 97th largest advertiser, spent approximately $44.9 million on advertising in 1982, a 21% increase from 1981 expenditures of $37.2 million.

Founded in 1969 by a one-time Kentucky Fried Chicken franchisee, R. David Thomas, Wendy's is one of the youngest major fast-food chains, but also has been one of the industry's fastest growing. For fiscal 1974, less than a decade ago, Wendy's systemwide sales were only $25 million. For fiscal 1982, systemwide sales were $1.63 billion, up 15% from 1981's $1.42 billion and 650 times as large as sales in 1974. According to market-size estimates by the National Restaurant Assn., Wendy's held a 4% share of the fragmented fast-food market in 1982. Last year's earnings of $44.1 million were 20% above 1981's $36.9 million.

Wendy's sales have grown that fast as a result of an aggressive franchise program. At the end of 1974 there were fewer than 100 Wendy's stores in operation. At the close of calendar and fiscal 1982, there were 2,430 units, 9% more than the 2,229 operated at the close of 1981.

Average per-store sales in 1982 were $703,000, up 4% from $674,000 for 1981. This put Wendy's behind McDonald's, which averaged $1.1 million at its stores in 1982, but Wendy's chairman Robert Barney told security analysts in March, 1983, that he expected the chain's average unit volume to hit the $1 million mark within the next five years.

In line with the chain's maturation, Wendy's changed its signage in 1982, giving more play to the logotype and deemphasizing the Wendy character. A new building design also was introduced and used on 85 new and 39 existing restaurants. The upgraded exterior features copper-colored roof panels and decorative awnings and lighting.

Like most other fast-food chains, Wendy's has expanded to international markets. At the end of 1982 there were 125 Wendy's restaurants in nine foreign countries, with an additional 30 planned for 1983. Italy, Hong Kong, Singapore and Mexico were scheduled to see their first Wendy's this year. The five stores operating in Belgium in partnership with J.C. Penney closed down late in 1982 after failing to meet sales and profits expectations.

Wendy's launched its first network tv campaign in 1977, making it the first restaurant chain with fewer than 1,000 stores to go national with its advertising. The "Hot 'n juicy" theme used in that campaign put Wendy's on the marketing map and helped establish it as one of the Big 3 hamburger chains with McDonald's and Burger King.

The chain's national advertising made headlines in 1982 as well. Its campaign, themed "Ain't no reason to go anyplace else," begun in 1981 and featuring chairman and founder R. David Thomas, was criticized for its poor grammar.

In the spring of 1982, the chain dropped the campaign in favor of something more upbeat and linguistically appealing. The new theme was "Wendy's kind of people" but continued the long-standing effort to position Wendy's as the quality leader in the fast-food category.

Wendy's, like McDonald's, was caught offguard by Burger King's "Battle of the Burgers" campaign begun in September, 1982. It's first response was to challenge both its rivals to an independent taste-test competition, but there were no takers.

Wendy's then filed a $25 million lawsuit, claiming Burger King's commercials were "false and deceptive." While McDonald's suit sought an injunction halting the spots, Wendy's went two steps farther, seeking damages and corrective advertising in addition to an order halting their broadcast.

An accord reached out of court in October led Burger King to pull the spots comparing its product to Wendy's. BK's attacks on McDonald's, however, continued in various forms.

Its real response to the Burger King advertising did not come until June, 1983, when Wendy's unveiled a new, $20 million campaign. The "Wendy's kind of people" theme continued, but the new spots compare Wendy's to its competitors more directly and more aggressively than any advertising the chain had aired before.

Created by Chicago's Joe Sedelmaier, the series of humorous tv spots in Wendy's new campaign stress that Wendy's ground beef is fresh while "two famous hamburger places use frozen hamburgers" and that its meals are prepared to order rather than held under heat lamps or reheated in microwave ovens. The other two chains are not named, but the spots leave little room for doubt about who they are.

William Welter, Wendy's senior vp-marketing, predicted the campaign would put an end to the burger wars and establish Wendy's as the quality leader in the category.

A second campaign planned for use in 1983 uses the theme, "Only Wendy" sung to the melody of The Platters' 1950 rock and roll classic, "Only You." The focus of these ads is Wendy's menu offerings, including the chicken sandwich, taco salad, salad bar and Frosty dessert.

Wendy's has consistently targeted adults rather than children with its advertising. Even though its logo features a young girl (founder Thomas' daughter, Wendy), Wendy's doesn't often include children in its commercials, nor does it have a "mascot" comparable to Ronald McDonald or the Burger King.

Wendy's marketing philosophy also differs from those of its two main rivals in limited use of game and premium promotions. Stamp-collector and scratch-card games were popular in 1982, but Wendy's steered clear, partly because of its adult orientation and partly because its ad budget is smaller than those of its competitors. Similarly, Wendy's was among the few major chains in 1983 to resist jumping on the glass-premium bandwagon, choosing instead to redirect most of its promotion budget to tv advertising.

After many years of adherence to its original plan to remain a limited-menu restaurant (the single and double hamburger, chili and Frosty dessert were its principal products throughout the 1970s), Wendy's has begun to broaden its menu. A taco salad was introduced systemwide in 1982 and was backed with heavy media support. In 1983 Wendy's added the bacon cheeseburger and introduced an expanded salad bar branded "The Garden Spot." These additions, too, were supported with subcampaigns.

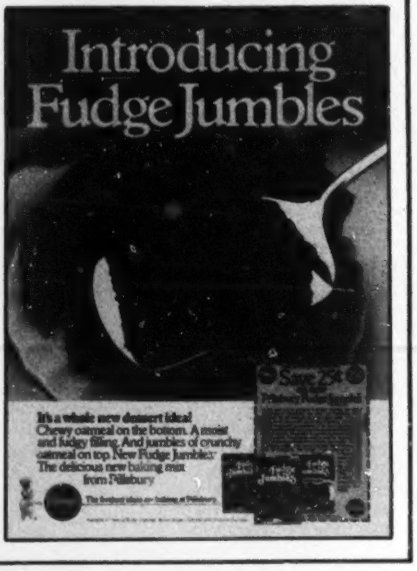
Continuing in test are a fish sandwich and several regional variations of a breakfast menu (including a breakfast buffet in a few locations). Wendy's also has been the only fast-food hamburger chain to experiment with food items specifically intended to be marketed for dinner only. Among the items tried in the Cincinnati dinner test are beef with mushroom sauce, chicken parmesan and country beef and gravy.

In addition to shepherding the steady growth of the Wendy's system, the company has developed a second restaurant concept, Sisters Chicken & Biscuits. After three years of testing, Wendy's announced late in 1982 that it would begin a nationwide franchising program for the upscale fried-chicken chain. At the close of 1982, 25 of the restaurants were in operation, with two more under construction. However, by March, 1983, the company said it had signed 10 franchise agreements covering development of more than 200 units in eight states. The company said it expected 250 Sisters to be operating by the end of 1985.

In a management realignment in September, 1982, founder R. David Thomas retired as chairman of the company and was appointed senior

Fudge Jumbles

Pillsbury Co.
National introduction: February-March, 1983
Introductory budget: $4.5 million
Agency: BBDO, New York


Introducing Fudge Jumbles
Save 25¢
It's a whole new dessert idea!
Chewy oatmeal on the bottom. A moist and fudgy filling. And jumbles of crunchy oatmeal on top. New Fudge Jumbles.
The delicious new baking mix from Pillsbury
Fudge Jumbles

Source: AA estimate

Summary of Leaders' spending
by category

Category		Leaders' spending	Total spending	%
Newspapers	1982	$ 962.0	$2,450.0	39.2%
	1981	932.4	2,556.3	36.5
Magazines	1982	1,718.3	3,421.3	50.2
	1981	1,610.2	3,222.9	50.0
Farm publications	1982	23.7	182.6	13.0
	1981	26.4	183.1	14.4
Network tv	1982	4,841.1	6,233.3	77.7
	1981	4,288.0	5,592.9	76.7
Spot tv	1982	2,178.1	4,892.8	44.6
	1981	1,814.0	4,223.3	43.0
Network radio	1982	131.4	262.6	50.0
	1981	137.7	224.7	61.3
Spot radio	1982	418.0	884.0	47.2
	1981	405.6	896.0	45.3
Outdoor	1982	299.0	511.1	58.5
	1981	235.1	355.9	66.0
All categories	1982	10,571.5	18,837.6	56.1
	1981	9,450.2	17,254.9	54.8

Sources: Leading National Advertisers, Radio Expenditure Reports, Radio Advertising Bureau, AGRICOM, Media Records chairman of the board. Robert Barney moved up from president to chairman and ceo, and was succeeded as president by Ronald Fay, formerly executive vp and chief operating officer.

Scott Hume

ADVERTISING EXPENDITURES

	1982	1981
Spot tv	$17,916,300	$15,819,500
Network tv	13,817,300	8,760,700
Spot radio	1,119,900	—
Network radio	6,300	1,308,200
Outdoor	676,000	482,000
Total measured	33,535,800	26,370,400
Unmeasured	11,339,200	10,799,600
Estimated total	44,875,000	37,170,000

WENDY'S INTERNATIONAL

Marketing Personnel

W.M. Welter, senior vp-mktg
D.J. Corrigan, vp-mktg and sales
D.F. Calhoon, director, field mktg
T.A. Lounds, director, mktg analysis and new prods
B.M. Ley, director, adv and sales promo

Advertising Agency

Dancer Fitzgerald Sample, New York—Joe Mack, exec vp-mgmt dir; Charles Rath, senior vp-mgmt super; Robert Reed, senior vp-mgmt super; Dick Olsen, acct super.

SISTERS CHICKEN & BISCUITS

J.W. Near, president and ceo

Advertising Agency

Stockton, West, Burkhart, Cincinnati—Tom Moore, acct super; Nora Knowles, acct exec.

Wm. Wrigley Jr. Co.

	1982	1981
Sales	$581,459,000	$607,834,000
Earnings	35,800,000	28,431,000
Advertising*	67,028,200	63,526,300

*AA estimate

Wm. Wrigley Jr. Co., Chicago, the nation's 84th largest advertiser, spent an estimated $67 million on advertising in 1982, up 5.5% from 1981, as its strong earnings performance of the past returned to form.

Net earnings for the year were $35.8 million, an increase of 26% over $28.4 million in 1981, the latter of which was off 7.4% from earnings in 1980. Net sales did not fair so well, dropping 4.3% to $581.5 million, although at least $7 million of the decrease is a result of foreign exchange conversions against a strong dollar.

Wrigley, with 44% of the total gum market sales, continued to be led by its big four—Wrigley's Spearmint, Juicy Fruit, Big Red and Doublemint—for which it spent $40.5 million in measured advertising.

Spearmint and Doublemint, both relying heavily on network and spot tv during 1982, had new advertising campaigns and as a result received most of the money earmarked for the four flagship gums. Advertising for Juicy Fruit remained the same for the third straight year.

Together, the two gums command about 50% of the sugared chewing gum market.

Wrigley continued to support Spearmint with the campaign started in May, 1982. Focused on the "little lift" you get from chewing Spearmint gum, the tv spots carry the theme that "Wrigley's Spearmint gum really keeps you hummin'."

The bouncy theme marked a departure from the low-key Spearmint advertising that some industry analysts had said may have been too quiet and sophisticated to garner enough attention in the highly competitive market.

The campaign helped enliven Spearmint's market share a few points, which had been slipping slightly since the early 1970s when the market suddenly became crowded with new gum entries, says a Wrigley spokesman. Wrigley is still using the campaign.

For Doublemint, Wrigley continued using the theme, "Double your pleasure with Doublemint gum," to reinforce its longtime slogan. The more spirited ads marked Wrigley's final departure from the quiet, low-key ads that characterized its advertising until two years ago.

The Wrigley's sugar chewing gum stable successfully defended its position against Replay, a sugared gum from Life Savers Inc., which maintained less than a 1% share of market after a major introduction in 1980. The renewed vigor of the big four, combined with successes from new market entries and a streamlined management, gives the company a strong outlook for the 1980s, said Ronald Strauss, industry analyst with Wm. Blair Co., Chicago. "It has hit record market shares with some of its gums and the company looks strong in overseas sales," he said.

The only place Wrigley seems vulnerable to competition is in sugarless gum.

Orbit, its first entry into the sugarless market and featuring the artificial sweetener Xylitol in its debut in 1977, has never caught on. In 1982, for example, advertising was nil for the gum, which commanded $4.2 million in measured spending in 1980. Although the company continues to market the gum, it may not last out the year. Sales remain flat, said a company spokesman.

Wrigley has no immediate plans to either reposition Orbit or introduce another sugarless gum, said William Piet, assistant vp-corporate. The question remains as to whether the company wants to or needs to enter the sugar-free marketplace.

One of the successful new lines for Wrigley has been Freedent, a gum for denture wearers sold largely in Plen T Paks of 17 sticks. It received $8 million in measured ad spending in 1982, up 15.8% from 1981. It went the volume route in 1981 after looking at growth by offering more flavors, including cinnamon, its first flavor that was canceled in favor of the Plen T Pak.

Another gum in that packaging format, and one enjoying even more success, is Big Red. Big Red has captured about 8% of the total chewing gum market. Its share has been increasing since its introduction in 1976, says the company.

Big Red really began to blossom once it was repositioned as a breath freshening product in tv spots, and Wrigley has continued with that theme, "Long lasting fresh breath."

The company cut back 3.7% on Big Red advertising to $9 million in 1982, choosing to channel nearly $2 million more in advertising for its Freedent brand.

"We feel excited about Big Red's market share now," said Mr. Piet. The gum has grown 20% a year in sales since its repositioning in 1980, making it one of the fastest-growing gums on the market.

Sales leveled off somewhat during the final two quarters of 1982 and in early 1983, but the gum is still growing at a good clip.

Liquid-center bubble gum continues to be a question mark for Wrigley. Tidal Wave, a current entry produced by Amurol Products, a Wrigley subsidiary, has been a successful performer for Amurol, and Amurol introduced a fourth flavor—apple—in 1982.

Ad spending rose substantially, to almost $1 million in 1982 from $95,800 in 1981, its inaugural year.

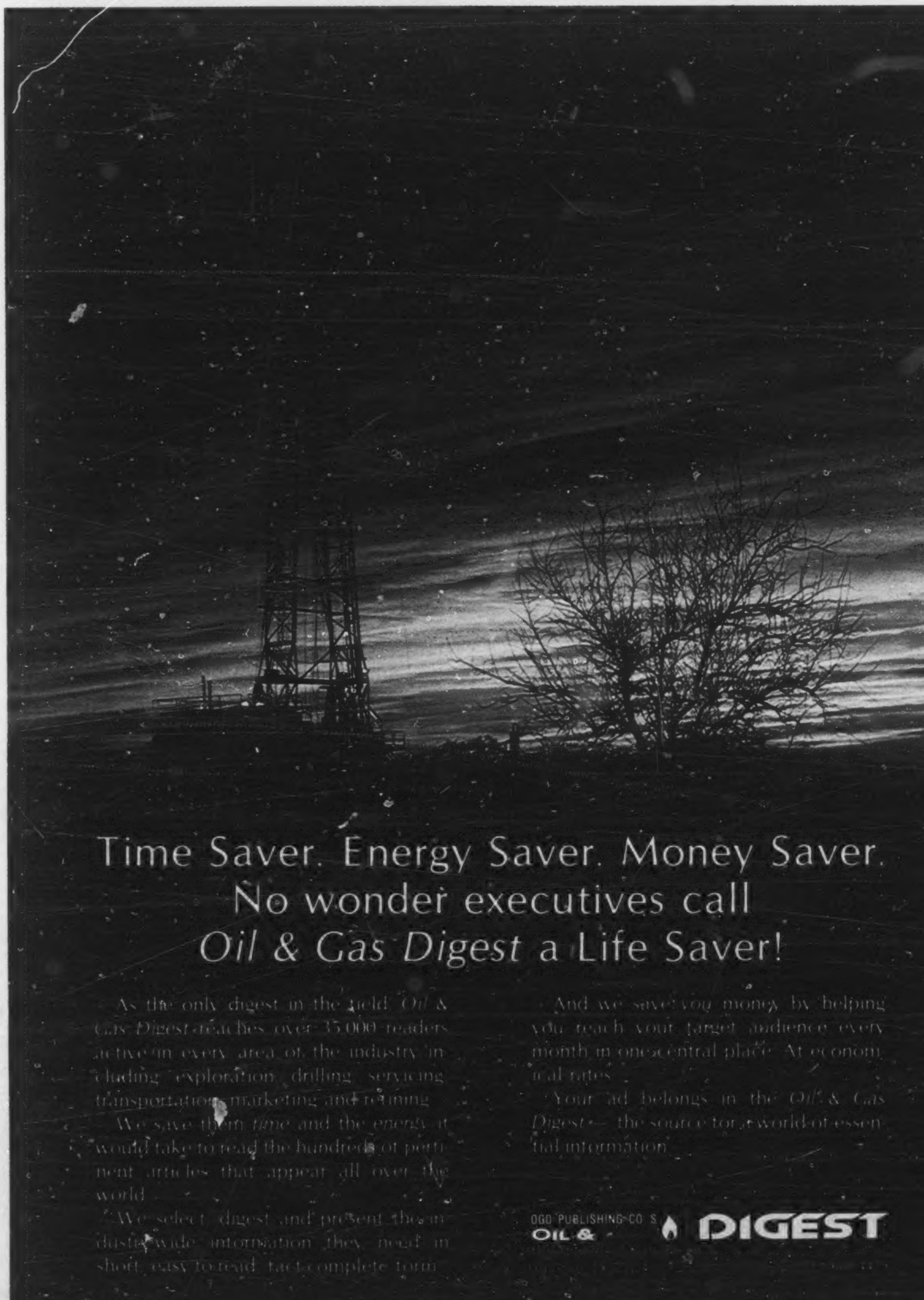
"I don't think liquid-center has yet proven itself as a category that's here to stay," said analyst Mr. Strauss. Wrigley's first entry in 1980 into the liquid-center market, called Over Time, fared poorly was withdrawn from test market.

Another gum aimed at the young market is Big League Chew, a shredded bubble gum that comes in a pouch. Produced by Amurol Products, the gum has yet to achieve much in the way of market share.

Big League Chew, which comes in four flavors, received $790,200 in advertising support during 1982 and another $15,000 for a sweepstakes, virtually identical to 1981 spending levels.

Wrigley's other major entry in the bubble gum category is Hubba Bubba, introduced in 1979 and positioned as a bubble gum with no-stick bubbles. Depending on the region, Hubba Bubba either holds down the No. 2 market position or is fighting to get it from Warner-Lambert's Bubblicious.

Market share leader in the bubble gum category regardless of market is Bubble Yum from Nabisco Brand's Life Savers unit.



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100 LEADERS

Advertising as a percentage of sales

1982 total ad expenditures in measured and unmeasured media

100 LEADERS

Category	Rank	Company	Advertising	Sales	Ad as % of sales
Food	6	General Foods Corp.	$429.1	$8,256.4	5.2
	9	Nabisco Brands	335.2	5,871.1	5.7
	16	Beatrice Foods Co.	271.0	9,188.2	2.9
	19	McDonald's Corp.	265.5	7,809.0	3.4
	21	General Mills	244.4	5,550.8	4.4
	23	H.J. Heinz Co.	235.7	3,738.5	6.3
	27	Ralston Purina Co.	220.0	4,802.6	4.6
	31	Dart & Kraft	199.2	9,974.0	2.0
	32	Esmark Inc.	197.8	3,389.1	5.8
	33	Norton Simon Inc.	191.2	2,994.3	6.4
	34	Consolidated Foods Corp.	178.0	6,660.0	2.7
	36	Pillsbury Co.	170.4	3,700.0	4.6
	43	Kellogg Co.	154.2	2,370.0	6.5
	52	Campbell Soup Co.	121.0	1,773.0	6.8
	57	Nestle Enterprises	112.5	2,341.0	4.8
	58	Quaker Oats Co.	106.1	2,610.0	4.1
	[illegible]	CPC International	96.7	4,091.5	2.4
	97	Wendy's International	44.9	1,632.4	2.8
Automobiles	3	General Motors Corp.	549.0	60,025.6	0.9
	12	Ford Motor Co.	313.5	37,067.2	0.9
	35	Chrysler Corp.	173.0	10,044.9	1.7
	55	Nissan Motor Corp., U.S.A.	117.6	13,346.1	0.9
	59	Toyota Motor Sales	111.3	15,096.3	0.7
	61	Volkswagen of America	98.0	15,200.0	0.6
	64	American Honda Motor Co.	94.9	9,375.7	1.0
	79	American Motors Corp.	72.0	2,878.4	2.5
	82	Mazda Motors of America	70.5	4,248.1	1.7
Pharmaceuticals	10	American Home Products Corp.	325.4	4,580.0	7.1
	15	Warner-Lambert Co.	294.7	3,246.0	9.1
	17	Johnson & Johnson	270.0	3,304.0	8.2
	46	Sterling Drug	140.2	1,796.2	7.8
	50	Richardson-Vicks	129.3	1,115.6	11.6
	51	Schering-Plough Corp.	123.9	1,817.9	6.8
	68	SmithKline Beckman	89.5	2,968.7	3.0
	77	Miles Laboratories	72.3	1,075.6	6.7
	85	Pfizer Inc.	65.7	3,453.6	1.9
Airlines	66	Trans World Corp.	91.6	5,107.9	1.8
	80	Pan American World Airways	72.0	3,716.0	1.9
	81	UAL Inc.	70.6	5,319.7	1.3
	87	AMR Corp.	61.6	4,177.0	1.5
	89	Eastern Air Lines	57.4	3,769.2	1.5
	94	Delta Air Lines	49.3	3,617.7	1.4
Communications and entertainment	25	Warner Communications	232.2	3,990.0	5.8
	41	CBS Inc.	159.0	4,122.8	3.9
	49	Time Inc.	130.1	3,564.0	3.7
	70	MCA Inc.	80.1	1,587.6	5.0
	86	20th Century-Fox Film Corp.	65.0	560.7	11.6
	100	American Broadcasting Cos.	42.9	2,664.5	1.6
Tobacco	4	R.J. Reynolds Industries	530.3	13,057.0	4.1
	5	Philip Morris Inc.	501.7	11,716.1	4.3
	24	Batus Inc.	235.0	5,506.7	4.3
	60	Loews Corp.	103.3	4,747.1	2.2
	78	American Brands	72.3	6,505.0	1.1
	91	GrandMet USA	54.0	1,347.3	4.0
Toiletries and cosmetics	30	Bristol-Myers Co.	205.0	3,599.9	5.7
	37	Gillette Co.	163.0	2,239.0	7.3
	48	Chesebrough-Pond's	131.0	1,623.2	8.1
	53	Beecham Group Ltd.	120.7	2,519.6	4.8
	56	Revlon Inc.	113.0	2,351.0	4.8
	93	Noxell Corp.	49.6	261.9	18.9
Wine, beer and liquor	22	Anheuser-Busch Cos.	[illegible]	5,185.7	4.7
	44	Seagram Co. Ltd.	[illegible]	2,826.2	5.4
	76	Brown-Forman Distillers Corp.	[illegible]	[illegible]	8.4
	90	Stroh Brewery Co.	[illegible]	1,318.0	4.2
	98	Hiram Walker Resources Ltd.	[illegible]	2,759.1	1.6
	99	E&J Gallo Winery	[illegible]	[illegible]	6.9
Soaps and cleaners	1	Procter & Gamble Co.	[illegible]	[illegible]	5.8
	14	Unilever U.S.	[illegible]	[illegible]	10.3
	18	Colgate-Palmolive Co.	[illegible]	[illegible]	5.5
	72	Clorox Co.	[illegible]	[illegible]	8.8
	75	S.C. Johnson & Son	[illegible]	2,000.0	3.7
Chemicals and gasoline	11	Mobil Corp.	320.0	64,137.0	0.5
	47	American Cyanamid Co.	133.0	3,453.7	3.9
	65	E.I. du Pont de Nemours & Co.	92.9	33,331.0	0.3
	69	Union Carbide Corp.	83.7	9,061.0	0.9
Appliances, tvs and radios	38	RCA Corp.	160.1	8,237.0	1.9
	40	General Electric Co.	159.0	26,500.0	0.6
	67	North American Phillips Co.	90.6	3,168.1	2.9
Gum and candy	54	Mars Inc.	120.0	1,490.0	8.1
	84	Wm. Wrigley Jr. Co.	67.0	531.5	11.5
	88	Hershey Foods Corp.	60.0	1,565.7	3.8
Photographic equipment	45	Eastman Kodak Co.	142.8	10,815.0	1.3
	95	Polaroid Corp.	47.8	1,293.9	3.7
	96	Canon U.S.A.	47.1	820.2	5.7
Retail chains	2	Sears, Roebuck & Co.	631.1	30,020.0	2.1
	8	K mart Corp.	366.1	16,772.2	2.2
	26	J.C. Penney Co.	230.0	11,414.0	2.0
Soft drinks	13	PepsiCo Inc.	305.0	7,499.0	4.1
	20	Coca-Cola Co.	255.3	6,249.7	4.1
	92	Royal Crown Cos.	50.3	[illegible]	10.7
Office equipment	71	Xerox Corp.	[illegible]	8,455.6	1.0
	74	IBM Corp.	75.0	34,364.0	0.2
Telephone equipment	7	AT&T Co.	[illegible]	65,757.0	0.6
	39	ITT Corp.	[illegible]	21,921.0	0.7
Miscellaneous	28	Mattel Inc.	[illegible]	[illegible]	[illegible]
	29	U.S. Government	205.5	NA	NA
	42	Gulf & Western Industries	[illegible]	6,423.0	2.4
	63	American Express Co.	[illegible]	8,093.0	1.2
	73	Greyhound Corp.	[illegible]	5,075.0	1.5
	83	Kimberly-Clark Corp.	[illegible]	3,000.0	2.3

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Bars indicate total advertising as a percentage of sales.

In 1982, raspberry became the fifth flavor in the Hubba Bubba line. The new flavor was accompanied by special tv and radio commercials created by Needham, Harper & Steers, Chicago.

Theodore J. Gage

ADVERTISING EXPENDITURES

	1982	1981
Magazines	$15,100	$4,400
Spot tv	16,854,900	13,662,000
Network tv	47,515,300	42,190,000
Spot radio	94,100	1,739,800
Network radio	1,733,200	5,166,700
Outdoor	15,600	14,600
Total measured	66,228,200	62,777,500
Unmeasured	800,000	748,800
Estimated total	67,028,200	63,526,300

WM. WRIGLEY JR. CO.
Marketing Personnel
William Wrigley, president, ceo
Ronald O. Cox, vp-mktg
R. Darrell Ewers, group vp-intl
G. Bebee, mktg director
N. Hoegh-Guldberg, mktg director
A. Cipollina, genl sales mgr
R.P. Thurlow, genl sales mgr
J C. Barger, southern district
H.W. Colson, east central district
H.J. Conklin, eastern district
H.F. Constant, midwestern district
J.E. Decker, western north district
H.W. Gray, southwestern district
E.L. Kimzey, mid-Atlantic district
L.R. Klein, west central district
J.M. Kroyer, north central district
Advertising Personnel
R.O. Cox, vp-mktg
H.J. Berchert, asst vp, adv graphics and design
Advertising Agencies

BBDO, Chicago—Doublemint, Spearmint, Big Red, Juicy Fruit, Freedent, Orbit—Eric Harkna, president; Andrew Donchak, vp-mgmt super; Walt Waschick, Rick Grant, acct supers.

Needham, Harper & Steers, Chicago—Hubba Bubba, Amurol products, Big League Chew, Tidal Wave—Gene Yovetich, mgmt rep; Pam Mikulec, Tom Horne, Elizabeth Brennen, acct execs.

Xerox Corp.

	1982	1981
Sales	$8,455,600,000	$8,510,100,000
Earnings	423,700,000	598,200,000
Advertising	80,000,000*	76,000,000**

*AA Estimate
**Restated

Xerox Corp., Stamford, Conn., the country's 71st largest national advertiser, spent an estimated $80 million on advertising in 1982 with a substantial increase coming in measured media—up $12 million last year compared with a $10 million increase the preceding year.

Xerox registered an estimated 5% increase in advertising expenditures for the year, based on restated estimates that attribute $44 million to the unmeasured ad portion of its ad budget in 1981. Its unmeasured support in 1982 is estimated by ADVERTISING AGE at $36.8 million.

Over-all performance at Xerox was down. Sales of $8.45 billion were off 1%, which the company blamed on a "weak world economy and increased competition" in every area of the company's business, according to the annual report. The strong American dollar particularly hurt foreign sales, which traditionally contribute more than 40% of sales. Profits dipped 29% from $598 million in 1981 to $424 million in 1982. Per share earnings were off nearly $2.

Xerox has been investing heavily in new products and in research and development, about $1.7 billion worth in 1982, according to company sources. At the same time it has been slashing the payroll; some 12,250 persons were cut from the worldwide staff in less than two years.

This eliminated $300 million from what the company calls its "cost base," but it has also produced at least one lawsuit from employes charging they are being pushed out to make way for younger people.

Magazines sprinted past network tv as the leading weapon in this marketer's advertising arsenal. In the industry estimates, magazines were credited with $18.4 million, a gain of more than $7 million to network tv's $15.8 million, an increase of more than $4 million.

The company used relatively little spot tv. It is active in public tv underwriting. It is a modest cable sponsor with schedules on Cable News Network, Entertainment & Sports Programming Network and superstation WTBS, Atlanta. It also covers the expense of closed captioning President Reagan's live television speeches.

Copying machines and electronic typewriters were the most lavishly funded products on the measured media spending list. The new Memorywriter family claimed 20% of the U.S. electronic typewriter market by the end of 1982.

Xerox's sales troubles were dramatized in July and August when prices for old model copiers were slashed 27% to make way for the introduction of newer models through retailers and distributors.

In the past, Xerox had relied mainly on its own in-house salespeople. Retail store advertising reportedly went from $3 million to $4 million.

One of the new copiers resembled a tv set in one respect. It had a screen at which the customer could peer to see what parts were not working before the repairman came around to fix the machine.

The 1075 was touted as a workhorse capable of handling 70 copies a minute and 25,000 to 100,000 a month. For less demanding customers, there was the smaller Paris 1045, whose monthly output was put at 4,000 to 15,000 copies.

The new copier/duplicator line was introduced to replace incumbent models in hopes of fighting off the Japanese.

At midyear, Xerox's share of the copier market was down to an estimated 45%, mainly because of success by rivals in the medium-size machines. The Japanese had captured many of those customers.

Wall Street observers wondered about Xerox's loyalty to its basic business—the copying trade—when it laid out $1.6 billion in cash and stock in September, 1982, to buy Crum & Forster, an insurer.

David Kearns, Xerox president, admitted the risk in this diversification move, but defended it as a "highly aggressive approach to make Xerox a stronger company."

This buy was made during a weak third quarter when profits plunged 39.2% on a slight sales gain of 2.4%. Part of this decline was attributed to heavy severance pay expenses for massive layoffs.

Two execs, Donald Massaro, vp and head of the office systems division, and David Liddle, a division vp-general manager, left to set up a computer services company of their own. The fourth quarter net dropped still further by 52.4%.

The price cutting on copiers was still going on early in 1983, but the company intensified its marketing efforts in that field.

Price cutting was also going on in the personal computer line. In this area, Xerox remained very much on the fringes compared to strong competitors, including International Business Machines Corp. and Apple Computers.

Maurine Christopher

ADVERTISING EXPENDITURES

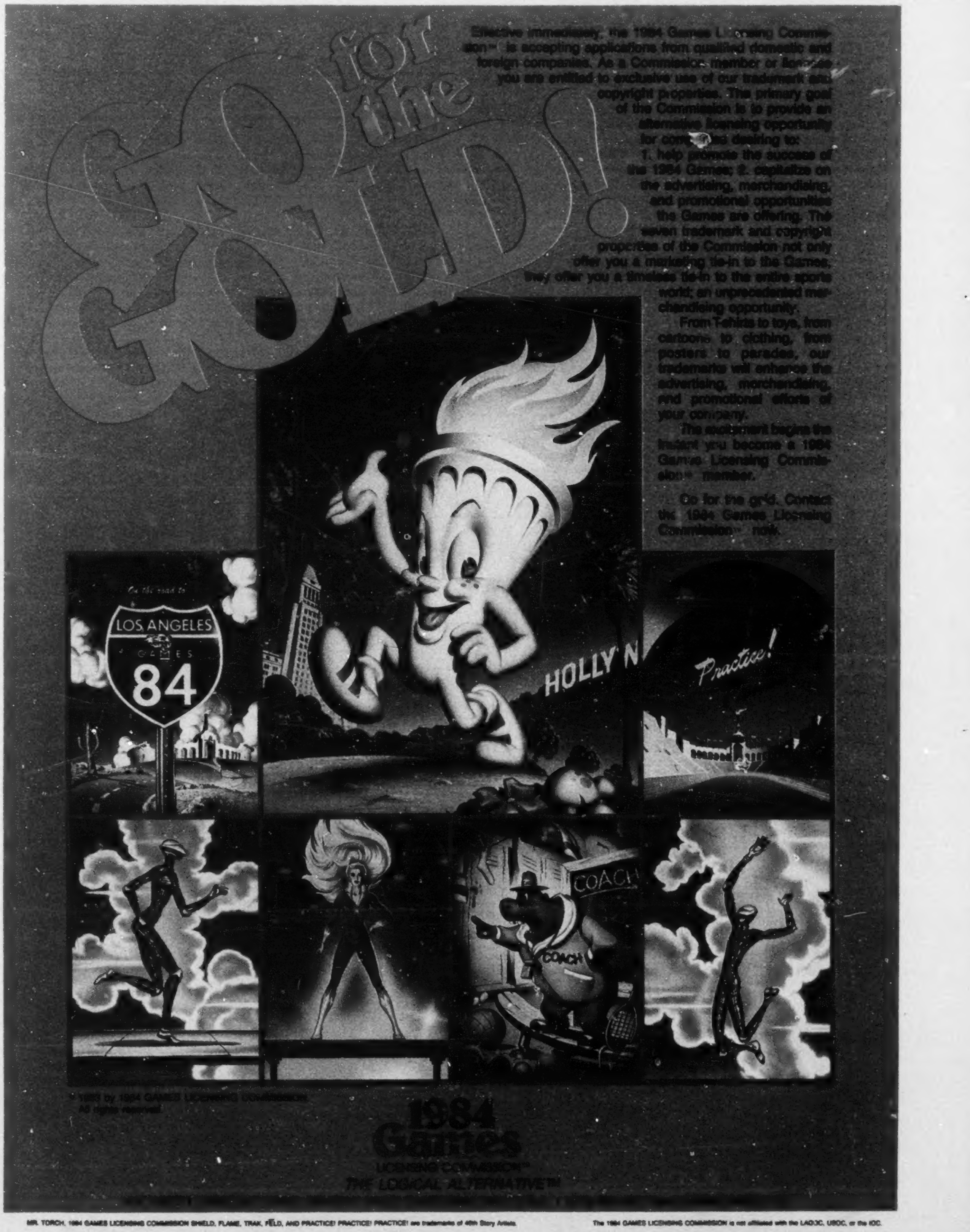
	1982	1981
Newspapers	$5,779,300	$5,045,200
Magazines	18,062,700	10,973,400
Spot tv	865,800	1,173,000
Network tv	15,804,400	11,546,200
Spot radio	974,600	1,861,500
Network radio	1,657,900	1,190,800
Outdoor	13,100	94,600
Total measured	43,157,800	31,884,700
Unmeasured	36,842,200	44,115,300*
Estimated total	80,000,000	76,000,000*

*Restated

XEROX CORP.
Marketing Personnel
William Glavin, exec vp, operations
Michael Kirby, director-corp adv & promo
Joseph M. Cooper, mgr-corp adv & promo
Advertising Agencies

Needham Harper & Steers/USA, New York—copiers/duplicators, electronic printers, professional work stations, information processors, personal computers, facsimile transceivers, local area network (Ethernet), computer services—Joseph Landy, exec vp, client services, all products; Laurence Reynolds, Tom Hook, Bud Gilson, acct supers.

Young & Rubicam Special Markets, New York—retail store operations—Robert Graham, senior vp-director of mktg/client services; Walter Darragh, vp-client services, acct super.



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100 Spending

(Continued from Page 1)

K mart Corp. and Nabisco Brands each dropped two notches to No. 8 and No. 9, respectively, and American Home Products Corp. jumped into the tenth position from No. 16 last year.

Newcomers to the 100 Leading Advertisers report this year are Royal Crown Cos., Stroh Brewery Co. and Wendy's International. Returnees are E&J Gallo Winery, Mazda Motors of America and Pan American World Airways.

Royal Crown boosted its ad spending by 33% to $50.3 million, backing its RC Cola, Diet Rite, RC100 and Nehi soft drink brands and Arby's fast-food restaurants. The company started the caffeine-free soft drink bandwagon rolling in 1980 with its RC 100 Sugar Free and, more recently, the sodium free category. It is the 92nd ranking national advertiser.

Stroh Brewing Co. made the top 100 because of its acquisition of Jos. Schlitz Brewing Co. in spring, 1982. As our profile notes, even though Stroh drastically cut Schlitz's spending, the combined Schlitz and Stroh advertising caused a 243% increase in Stroh's spending, jumping from $16.2 million to $55.5 million. Stroh is ranked No. 90 on the Leaders list.

Wendy's International advertised enough hamburgers and the like to propel it to No. 97 in our ranking. The fast-food company, one of the industry's fastest growing, spent almost all of its advertising budget in spot and network tv, with small amounts going to radio and outdoor.

Companies missing from this year's report are Borden Inc., Exxon Corp., Jeffrey Martin Inc. and Morton Thiokol (formerly MortonNorwich). Morton Thiokol's spending decreased substantially when it sold its Norwich-Eaton division—and its heavily advertised consumer products—to Procter & Gamble in 1982.

Additionally, these companies have been affected by mergers and are discussed in new parent company profiles: Columbia Pictures (now owned by Coca-Cola Co.), Heublein Inc. (now part of R.J. Reynolds Industries) and Jos. Schlitz Brewing Co. (now owned by Stroh Brewing Co.)

The following companies decreased their advertising last year. The companies are listed with the percentage of spending decreases in descending order: Greyhound Corp., −0.6; Esmark Inc., −1.1%; Nabisco Brands, −1.6%; American Cyanamid Co., −3.3%; General Electric Co., 3.5%; Chesebrough-Ponds, −3.8%; Trans World Corp., −3.8%; Brown-Forman Distillers Corp., −5.1%; Gillette Co., −5.2%; Clorox Co., −5.6%; Union Carbide, −7.0%; Time Inc., −7.8% Polaroid Corp., −10.2%; UAL Inc., −10.3%; Chrysler Corp., −10.4%; E.I. du Pont de Nemours & Co., −11.5%; General Foods Corp., −11.8%; American Brands, −12.0%; Richardson-Vicks, −13.2%; RCA Corp., −23.3%, and Loew's Corp., −27.0%.

Some of the companies that cut their spending did so because of difficulties coping with the economy—reduced sales because of the recession—while cuts by others were dictated by changing strategies.

Polaroid Corp, for example, cited the "continuing worldwide recession for [its] ills, which included a 9% drop in worldwide sales . . . ," while Loews Corp. mentioned the economy and a competitive marketplace. General Electric dropped advertising by 3% and changed the empahisis from individual product categories to image-building efforts and multiproduct advertising.

General Foods, while it dropped spending by nearly 12%, said that it actually maintained the same ratio of ad expenditures to net sales as the previous year.

Chrysler Corp., on the other hand, had increased sales and a great increase in earnings but reduced ad spending as a strategic move, down from the "frenzy levels of 1981." The medium most affected by its spending cuts was spot radio.

American Broadcasting Cos. brings up the bottom of the leaders list at No. 100. Ironically, ABC is the top ranked company in Advertising Age's 100 Leading Media Companies issue this year *(AA, June 27)*. The company had media revenues of $2.53 billion in 1982, or 95% of its total revenues of $2.66 billion. Its 1982 advertising spending, however, was $42.8 million, a 7% increase from 1981's $40 million.

The other two network broadcasting giants, RCA Corp., owner of NBC, and CBS Inc., were ranked No. 38 and No. 41, respectively, on the advertising leaders list, with spending of $160.1 million and $159 million. CBS ranked No. 2 in the media companies ranking and RCA was No. 4.

AT&T, this year's seventh ranked advertiser, will leave the 100 Leaders list in its current form because of the breakup of the communications giant, but next year's list could see several of the newly independent divisions or companies that the divestiture is creating.

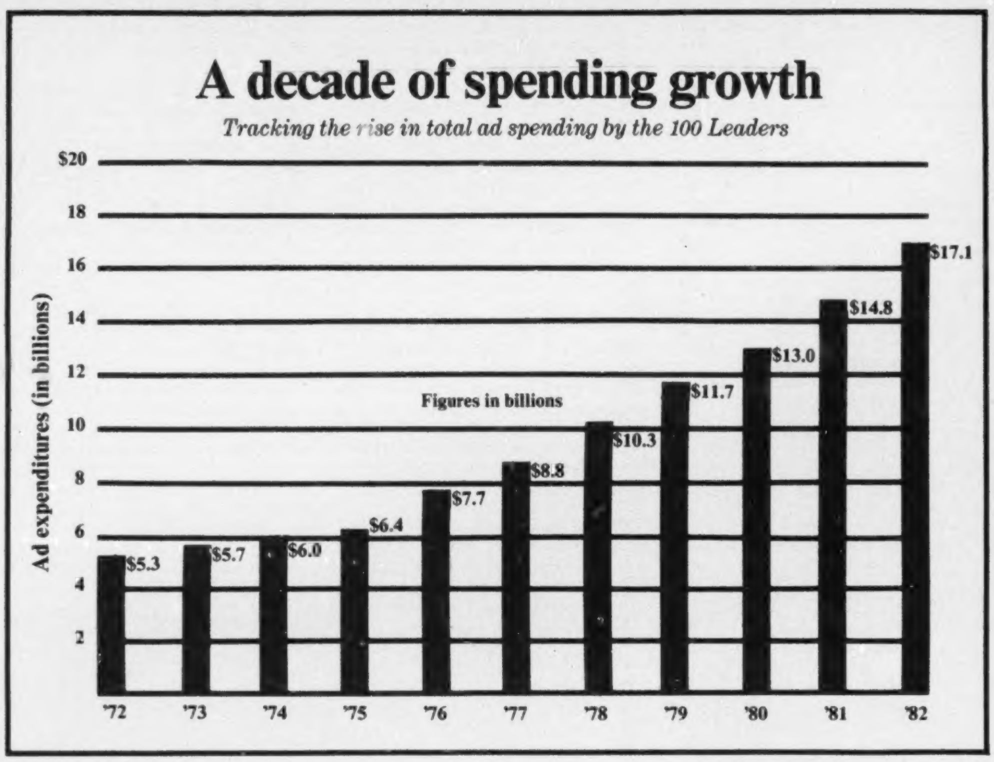
For instance, one or more of the seven independent regional organizations, such as Ameritech, the phone company that will serve the Midwest region, or Nynex, the Northeast area phone company, could emerge as top advertisers.

The most noticeable change in the leaders' media mix was in spot tv. The 100 companies profiled here increased their spot tv expenditures by 20.1% to $2.18 billion. Network tv garnered $4.84 billion, 12.9% more than in 1981. Newspapers' spending, over-all, increased 3.2% in 1982, to $962 million; magazines were up 6.7% to $1.72 billion; spot radio spending drew $418 million, or 3% more than 1981.

The only media that received decreased amounts from leaders in 1982 were farm publications, down 10.3% to $23.7 million, and network radio—down 4.7% to $131.4 million.

Outdoor advertising emerged from 1982 as the truly hot medium among leading national advertisers, attracting $299 million, up 27.1% in 1982.

Of the $18.84 billion invested by national advertisers in eight media last year, more than 56% came from the 100 Leading National Advertisers. Among all measured media, the total increase of leaders' share was 11.9% to $10.57 billion.



A decade of spending growth

Tracking the rise in total ad spending by the 100 Leaders

Where Ad Age got its data

Advertising figures listed for each of the 100 Leading National Advertisers include measured media expenditures published by various statistical bureaus and associations. These include the following: Leading National Advertisers Inc., Agricultural Marketing Information Service (AGRICOM), Radio Advertising Bureau and Media Records.

In the eight measured media—newspapers, magazines, farm publications, spot and network tv, spot and network radio and outdoor—the 100 Leaders dominate, accounting for 56.1% of all advertising dollars invested in those media. (See chart on Page 24.)

In addition to the measured media figure, an unmeasured spending figure is added to arrive at the total ad expenditures each company registers.

These unmeasured expenditures include point-of-purchase advertising, couponing, direct mail, premiums and other forms of national sales promotion.

Advertising Age would like to make it clear that the selection of 100 Leading National Advertisers is based on measured media expenditures only, while final ranking is based on the combined total of measured and unmeasured figures.

If other criteria were used, advertisers not now on our list would be included. Among them would be those companies that spend many millions annually in local advertising, which is not measured, and relatively little in national advertising. Such companies include many large retailers.

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